

A Preliminary Conceptualization of the Functions of Social Assistance: From Poor Relief to Social Investment*

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(2009.12.3. 접수 / 2009.12.31. 1차수정 / 2010.1.7. 게재확정)

- 요약 -

Social assistance has become a key social protection program in the post-war era. During the last several decades, social assistance provisions have been modified and expanded to serve various social goals. However, typology of social assistance has so far been limited to ideological discourses based on the poverty regimes of the advanced welfare capitalism. Moreover, despite the complexity and diversity of social assistance around the world, its variations, types and functions have not been properly discussed. As a result, very few practical implications of social assistance, if any, can be found in previous typology studies.

The purpose of this study is to conceptualize functions of social

*This research was supported by Hallym University Research Fund, 2008(HRF-2008-018).

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assistance in the course of constructing a comprehensive typology of social assistance. It discusses the functions of social assistance in a historical and global context. It then seeks to conceptualize various functions of social assistance based on recent innovations and developments in social assistance. In doing so, this study addresses the potential for social assistance to positively impact the four major welfare objectives of: poor relief, poverty alleviation, poverty prevention, and social investment. The purported conceptualization would not only serve to enrich discussions of the typology of social assistance, but also provide implications for further studies on the development of Korea's National Basic Livelihood Security System.

Key word: Social assistance, Poor relief, Poverty alleviation,
Poverty prevention, Social investment

1. Introduction

Throughout the world, governments have introduced policies and programs designed to maintain or supplement or support the incomes of poor people or others experiencing economic hardship. These programs are known collectively as social security among scholars internationally. Social security programs include a range of interventions designed to alleviate or prevent poverty. One of these is social assistance which is often regarded as the oldest type of social security (Midgley, 1984a).

Social assistance is designed to provide non-contributory benefits to low-income people. It is generally defined as a service or scheme that provides benefits financed by the government to low-income people below a certain threshold (Mackay, 2001; OECD, 1998a). Benefits are provided in-cash or in-kind based on an assessment of a claimant's income and assets, known as a "means-test." Other conditions such as ability of a claimant to work, age, and availability of support from relatives may be taken into account. However, eligibility is mainly determined by one's financial status. In essence, social assistance targets people who have no other source of income. In this sense, social assistance is often referred to as the "benefit of last resort" (against poverty) in the hierarchy of the social security system. (Ditch, 1999; Howell, 2001).

Social assistance has developed to become a key social protection program in the post-war era. During the last several decades, social assistance provisions have been modified and expanded to serve various social goals. In fact, despite the "last resort" connotation, social assistance has not only been used to provide poor relief to the destitute. As will be shown later, social assistance has been

adopted by governments to provide more generous benefits in certain geographic area, family allowance benefits for low-income families, pensions for the elderly and disabled, and other benefits. Recently, these programs have also been modified to incorporate social investments ideas by using social assistance to provide microcredit, welfare-to-work, employment opportunity and human capital development.

However, these various types and functions of social assistance have not been properly discussed in a global context. One of the reasons for this neglect is that the function of social assistance has been simplistically stereotyped as an old-fashioned social protection program whose origin can be traced back to Poor Law. In fact, social assistance schemes have often been discussed in negative contexts because of the inadequate, strict, and stigmatizing nature of its provisions in addition to its image as an obstacle to economic growth. For example, in his influential typology of welfare regimes, Esping-Andersen (1990) described social assistance as a stigmatizing means-tested scheme which was deliberately used by ‘liberal’ welfare capitalism to stress work ethics and free market ideals. He indicated that a ‘liberal’ regime minimizes the decommodification effects of social welfare provisions by emphasizing social assistance which is based on strict entitlement rules. On the other hand, American libertarian political scientist, Charles Murray (1984), criticized AFDC as leading to or increasing hindrances to economic participation by discouraging people from working—and even causing dependence on welfare benefits. These are only some of the examples that reflect the negative perception on the function of social assistance in social policy studies.

Accordingly, few studies have attempted to identify the various functions of social assistance and studies on social assistance have been limited to either documentation of social assistance in industrialized countries (OECD, 1998a,

1998b, 1999) or typology based on the poverty regimes of advanced welfare capitalism (Ditch, 1999; Ditch et al., 1997; Gough et al., 1997; Moon, 2005; Jung, 2007).

A documentation of social assistance includes describing provisions and coverage of programs. A good example of such treatment of social assistance is a series of OECD reports on social assistance which documented the detailed provisions, coverage, and structure of the scheme in selected member countries (OECD, 1998a, 1998b). Recently have a number of studies been conducted to describe social assistance in developing countries, with particular attention to the development of new pension and social assistance schemes in Latin America (Barrientos & Holmes, 2006; Mesa-Lago & Marquez, 2007).

On the other hand, some scholars have tried to group social assistance programs into categories using such criteria as type of benefit, level of benefit, coverage, and program structure. Then they create their own typology, in most cases, in connection with the welfare state regime or poverty regime discussions. One of the most recent, and complicated, typologies of social assistance was prepared by Gough and his colleagues in their comparative study of social assistance across 24 OECD countries (Gough et al., 1997). In their study, they introduced descriptive typologies of social assistance based on three preliminary distinctions: "poverty-testing vs. general means-testing", "cash benefits vs. tied benefits", and "all people vs. specific groups." Based on these three distinctions, they identified eight different "assistance regimes" which included: selective welfare system (Australia and New Zealand), public assistance state (the United States), welfare states with integrated safety nets (Britain, Ireland, and Canada), dual social assistance (Germany, France, Belgium, and Luxembourg), citizenship-based but residual assistance (the Nordic countries except Norway), rudimentary assistance (Southern Europe

and Turkey), decentralized discretionary relief (Norway, Austria and Switzerland), and centralized discretionary assistance (Japan). This typology has been repeated in other literature such as Ditch et al. (1997) and Ditch (1999). Moon (2005) also utilized this typology when he created the indices for the comparative study of poverty regimes in Korea and ten European countries. His study shows that Korea's social assistance is far behind from that of the other countries in terms of the level of spendings and program structures. On the other hand, Jung (2007) examines Korea's social assistance in comparison with eight OECD countries in an effort to locate Korea within the poverty regime discussions. By referring to Eurocentric features of current social policy studies, he discusses the characteristics of Korea's social assistance in the context of identifying an East Asian regime.

While the typology of social assistance provides a useful analytical framework to explain the differences among various regimes, however, it is often too complicated to provide a simple understanding of the different social assistance schemes it categorizes. But more importantly, the "regime" typology barely touches upon the various functions of modern social assistance provisions. In fact, it often overlooks functional differences among social assistances, even within a regime. As a result, very few practical implications for the development of social assistance, if any, can be found in the previous regime-based typology studies (Lee, 2004).

It is at this juncture that this study seeks to conceptualize functions of social assistance in the course of constructing a comprehensive typology of social assistance. To this end, it first discusses the functions of social assistance in a historical and global context. It then attempts to conceptualize various functions of social assistance based on developments and innovations in social assistance. Finally, based on the purported conceptualization, it suggests

implications for further studies on the development of Korea's National Basic Livelihood Security System. It is hoped that this study provides a cornerstone for a more comprehensive typology which encompasses the functional aspects of social assistance.

2. Functions of Social Assistance: Historical and Global Context

Historically, social assistance has been used as a key social protection scheme. Social assistance origins can be found in religious beliefs or cultural mores, which gave rise to various poverty relief schemes to provide support to the most needy in society (Ditch, 1999; Midgley, 1984a, 1984b, 1984c). These schemes supplied benefits based on various ideals of charity or philanthropy. Then, in the fifteenth century, some European countries established the first modern statutory welfare known as "Poor Law". Poor Laws at that time were basically punitive in nature, and were mainly used to suppress the poor by limiting their labor mobility and forcing them to work (Midgley, 1984a). One of the best known and most comprehensive of these Poor Laws was the Elizabethan Poor Law Act of 1601, which is also widely regarded as the prototype of modern social assistance.

The Elizabethan Poor Law of 1601 established the first national welfare administration by appointing overseers of the poor. The overseers were in charge of collecting the poor rate (or property taxes), deciding eligibility, and administering assistance. The Elizabethan Poor Law provided relief to the poor who were unable to work due to illness, old age, or disability. These "impotent

poor" as they were known, constituted the majority of the "deserving poor." Relief to those deemed "deserving poor" who were not institutionalized was known as "outdoor relief." In contrast to the deserving poor, the able-bodied poor were forced to work in workhouses. Based on the notion of "work ethic," the Elizabethan Poor Law imposed harsh sanctions against able-bodied poor who refused to work (Leiby, 1978).

The Elizabethan Poor Law of 1601 governed statutory poverty relief in England for more than two centuries - until the enactment of the New Poor Law of 1834. During that period, several amendments were made to the Poor Law in accordance with changing social and economic circumstances. For example, the Settlement Act of 1662 was enacted to prevent the migration of the poor. In 1782, the Gilbert Act was passed to introduce outdoor relief to the able-bodied poor who were unemployed. In a recessionary period, the Speenhamland amendment of 1795 was introduced to supplement the wage of low income workers, primarily to mitigate extreme rural poverty. This system, however, could not provide work incentives and posed a "moral hazard" for employers. In the end, the Speenhamland system ended up subsidizing employers using the poor rate (tax), while workers' income remained unchanged. This gave rise to the concern that the Poor Law provision undermined work incentive and fostered undesirable behavior of the poor (Midgley, 1984b).

Under these circumstances, the Elizabethan Poor Law was substantially revised to force the poor to maintain themselves through independent effort. To this end, the New Poor Law of 1834 was enacted to establish an even more punitive poor relief scheme. Reflecting the dominance of laissez-faire liberalism and utilitarianism at that time, the New Poor Law abolished outdoor relief and made welfare benefits available only in workhouses. The principle behind this

approach is known as the "workhouse test" which coerced the poor to enter a workhouse to receive relief in return for labor. Another principle of the New Poor Law was known as "less eligibility." This precept ensured that the poor in workhouses should not be better off than the lowest-income workers who endeavor to maintain livelihood independently outside the workhouse. In order to maximize work incentives among the poor, the conditions of a workhouse were deliberately made unbearable so that the poor would be discouraged from becoming dependent on such poverty relief.

The English Poor Law traditions greatly influenced the development of the poor relief schemes in British colonies, including in North America. For example, the Elizabethan Poor Law served as a model for the poor relief schemes in America, starting with the Plymouth Colony in 1642, followed by Virginia in 1646, Connecticut in 1673, and Massachusetts in 1692 (Abramovitz, 1996). The New Poor Law which replaced the Elizabethan Poor Law also influenced the emergence of social assistance schemes in other British colonies in the early 20th century, such as Mauritius, Trinidad, and Tobago. Interestingly, Poor Law types of social assistance schemes can also be found in non-British colonial countries such as Saudi Arabia, Thailand, and the Philippines (Midgley, 1984a).

By the turn of the 20th century in Europe, there was a growing awareness among working class activists and middle class philanthropists that the rigorous and harsh Poor Law provisions should be mitigated (Midgley, 1984c). Faced with the pressure to reform, Poor Law administration became less stringent with benefits for the deserving poor, and the workhouse was abolished in 1929. Liberal reforms were introduced in the early 20th century to remove the stigma associated with welfare provisions under the Poor Law. In the United Kingdom, under a liberal government, a means-tested old age

pension was introduced in 1908, followed by a social insurance system in 1911. Other countries such as Denmark, New Zealand and Australia also introduced more generous poor relief in the form of means-tested pensions to assist the needy elderly and the disabled (Midgley, 1984a). By the end of the World War II, the Poor Law was abolished in Britain and replaced by the National Assistance Act of 1948.

In the United States, a Poor Law type social assistance scheme remained the primary source of relief for the needy until the Great Depression of the 1930s (Leiby, 1978). However, with the Great Depression, the federal government was required to take actions against massive unemployment and increasing poverty. In 1935, the Social Security Act was enacted as a part of the New Deal under the Roosevelt administration. The Act established a social assistance scheme known as Aid to Dependent Children (ADC) and Old Age Assistance which was later replaced with Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI) respectively. Under the ADC, social assistance became a federal entitlement. After World War II, the scope of social welfare provisions in the United States significantly broadened, and a series of federal initiatives was implemented between the 1960s and 1970s, under the slogan of "War on Poverty."

While industrialized countries pushed toward redesign and expansion of their social security programs after the World War II, most social assistance schemes in the Third World continued to reflect Poor Law principles from their colonial histories (Midgley, 1984a). Generally, social assistance schemes in developing countries were designed to suppress able-bodied beggars, providing relief only to the "deserving poor" who did not have families to support them. However, some aspects of Poor Law still survive in some Western industrialized countries despite a significant modification of social assistance schemes in the

post-war era. As will be discussed, Poor Law principles were refashioned in the late 20th century and then used to reshape social assistance under the banner of "welfare reform."

With the onset of the oil shock of the 1970s, Western industrialized countries began to experience a slow down of economic growth. Meanwhile, spurred by efficiency-minded thinkers of the times, dissatisfaction over the ineffectiveness of social programs became more prevalent in those countries. Under these circumstances, state welfare provisions, which had expanded steadily during the post war era, became a target for blame - cited as a major cause of budget deficits and credited with little success in reducing poverty. This led the political leaders in the 1980s, such as Prime Minister Thatcher in the United Kingdom and President Reagan in the United States to seek a "smaller" government, in pursuit of free-market innovations and retrenchment of welfare provisions. In particular, an image of "welfare" was created to impart negative connotations. For example, social assistance was criticized as diminishing welfare recipients' work incentives while encouraging dependency on welfare programs, thereby undermining social and economic vitality (Murray, 1984). Subsequently, a series of reforms was introduced to social assistance schemes in many Western countries.

One of the most notable trends in social assistance reform has been an increased emphasis on work requirements (Mackay, 2001). More and more countries adopted an obligation to work as a condition for social assistance benefits. While Mead (1986) rephrased the notion of a work requirement as a social obligation of citizenship, it derives most strongly from a reiteration of the Poor Law principle of the "work ethic." This work requirement also came with sanctions designed to compel welfare recipients to comply with their work obligations. One of the most drastic applications of these principles was made

in the United States in 1996 by the legislation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The Act replaced AFDC with Temporary Assistance for Needy Families (TANF). TANF increased the work requirement of recipients and adopted sanctions which could disqualify them for welfare benefits when they failed to meet work requirements. In addition, TANF included a five-year lifetime limit on eligibility for federally-funded cash benefits.

While social assistance was originally designed to control the poor by providing meager benefits and forcing them to work, it has been reshaped and altered under the influence of various prevailing social, economic and political conditions (Subbarao et al., 1997). In addition to the traditional function of poor relief which provides the last resort for a limited number of destitute people, however, social assistance has also been used to provide more generous benefits to a larger group of people in certain geographic areas. For example, South Africa expanded its State Old Age Pension and Child Support Grant to target poor families in the poorest areas of the country. This contributed to an increase in household income and consumption (Case & Deaton, 1998; Case et al., 2003). In some countries, social assistance has functioned like a social insurance program or a social allowance program. For example, Australia offers no social insurance retirement program but instead, its social assistance scheme provides a means-tested pension for the elderly and disabled. In fact, more countries are expanding social assistance provisions in this fashion. Another example is Mauritius, which uses social assistance as a form of family allowance. In the early 1960s, Mauritius introduced a universal family benefit scheme for low-income families instead of providing selective child benefits (Midgley, 1984a).

Social assistance has also been used to provide microcredit and

welfare-to-work, which were designed to promote self-sufficiency through employment opportunity and human capital development. The microcredit approach has already been used regularly in the Philippines since the mid-1970s. It helps needy families by providing small capital loans they use to establish micro-enterprises (Midgley, 1984a). The welfare-to-work approach also provides a good example of using social assistance to promote sustainable work opportunities and human capital development. While "welfare-to-work policies" include financial stimuli, training and skill development, and work support subsidies for welfare recipients, the term also includes work-first measures (Ochel, 2005). However, work-first measures are often perceived negatively especially when they provide public works type of "workfare" for temporary jobs as a condition for social assistance benefits (Quaid, 2002). In this case, workfare can be understood as a work obligation in return for which one receives benefits. This is closely associated with the Poor Law tradition of a work requirement. As such, this study will use the term workfare when referring to such punitive work-first intervention as a condition for benefits.

More recently, a number of countries began to use social assistance to help poor families achieve developmental goals for education, nutrition and health. Such provisions within social assistance are known as "conditional cash transfer programs." Conditional cash transfer programs are often found in Latin American countries such as Mexico, Brazil, and Colombia, where the government pays cash benefits to needy families on the condition that their children are well educated and raised in good health (Mesa-Lago & Marquez, 2007; Rawlings, 2005). Inspired by this innovative idea, the city of New York also launched a pilot program of this type in 2007, called "Opportunity NYC."

3. Conceptualization of the Functions of Social Assistance

As such social assistance has expanded its provisions and diversified its functions to serve various social goals within a wider context of social protection. In fact, with increased social assistance provisions in recent years, has come a growing appreciation of the various functions of social assistance. For example, Midgley (1984a) illustrated that social assistance can be a useful alternative form of social protection in addition to a Poor Law style relief. Based on the experiences of developing countries, he proposed a new version of social assistance designed to help the elderly and the handicapped in need, to support large families, to help families experiencing acute financial need, and to promote small-scale economic activities among needy families. The OECD (1998a) also listed various goals of social assistance such as preventing extreme financial hardship, reducing social exclusion, and promoting independence and individual responsibility. More recently, Adema (2006) suggested that the role of social assistance include employment support to promote re-integration into the labor market, financial assistance to sustain an adequate standard of living and social help against life contingencies. While this reflects a growing interest in using social assistance to achieve various social goals, a more comprehensive discussion, encompassing the expanded functions of social assistance provisions around the globe, has yet to emerge in the study of social policy. Under such circumstances, the recent innovations and developments in social assistance described previously present the potential for social assistance to positively impact the following four categories of welfare objectives: Poor relief, Poverty

alleviation, Poverty prevention, and Social investment.

1) Social Assistance as Poor Relief

Social assistance has been widely used as a poor relief scheme to provide a sustenance level of benefits to the deserving poor. The deserving poor mostly consist of single women with small children or those who are unable to work due to old age or disability. Poor relief is one of the oldest functions of social assistance and is directly linked to English Poor Law principles. As described earlier, the Poor Law tradition has been carried forward into the modern notion of social assistance; the Poor Law still has great influence in the shaping of social assistance provisions in many countries. Poor relief is characterized by its meager benefits based on a strict means-test of recipients and their families. Recipients of poor relief are often stigmatized. For those who are able to work, poor relief programs impose work requirements as a condition for the benefits, known as workfare. In this regard, non-compliant recipients are subject to sanctions.

The Temporary Assistance for Needy Families (TANF) in the United States provides a good example of such poor relief approach. Increased work requirements, sanctions, and a newly adopted time-limit are a typical application of Poor Law principles. Work requirements can be applied differently by each state, which range from a punitive workfare approach to a developmental welfare-to-work approach. A punitive workfare approach is based on the quintessential Poor Law notion of "work ethics", which attributes poverty to individual indolence and lack of motivation. Accordingly, workfare programs under this approach are designed to emphasize the "work-first" attitude, which often obligate the poor to engage in menial, low-paid jobs as a

condition for the poor relief. This approach also puts much emphasis on the short-term effectiveness of poor relief by focusing on reducing welfare caseloads through employment. One example is the New York City's Work Experience Program (WEP), which generated a large number of public sector jobs, most of which were manual or menial in nature. While the Work Experience Program contributed to a dramatic drop in the welfare rolls in the short run, no evidence was found that the program actually promoted long term self-sufficiency of the poor (Quaid, 2002). In contrast to this program and others like it, a developmental welfare-to-work approach, which will be described later, takes a proactive stance toward the economic participation of the poor. In this case, welfare-to-work focuses on the long-term productivity and self-sufficiency of the poor through investments in human capital development and facilitation of sustainable employment opportunity. Social assistance as a poor relief program has been widely used in many developing countries.

2) Social Assistance as Poverty Alleviation

In addition to the traditional function of poor relief, social assistance has been used to provide more generous benefits to the poor in certain geographic areas or to certain demographic groups. This type of provision often functions as a poverty alleviation program by lifting household income above the poverty line and subsidizing household consumption. Through direct and unconditional cash injections into the household income of those living in poor areas designated for special focus, social assistance contributed to the improvement in recipients' nutrition and housing conditions. It accomplished these aims, with less stigmatizing effect on the recipients than had previous poor relief approaches.

South Africa's State Old Age Pension, which was extended to cover a larger population of the elderly including people living in the poor rural areas serves as an example of this function. Since most of the elderly people receiving Old Age Pension live in extended families, this scheme was very effective in reaching the poorest households in remote rural areas (Case & Deaton, 1998). Cash transfers to the elderly are widely shared within recipients' households, where family members use the cash to reduce poverty and to improve the nutrition and health status of all family members (Barrientos & Holmes, 2006; Case & Deaton, 1998).

South Africa's Child Support Grant of 1998, which replaced the State Maintenance Grant, is another pertinent example. While a State Maintenance Grant was designed to support women with children in urban areas, a Child Support Grant extended coverage to include African parents or care givers in rural areas. By reaching out to the critically poor rural areas with HIV/AIDS problems, the Child Support Grant successfully increased the household income of a large number of households in those areas (Case et al., 2003).

Another example is Brazil's Bolsa Família of 2003, which consolidated several exiting cash transfers such as Bolsa Escola, Bolsa Alimentação, and Auxílio-Gás. Bolsa Escola is a conditional cash transfer for schooling. However, Bolsa Alimentação and Auxílio-Gás are unconditional cash transfers to poor households, to support their consumption of needed food stuffs and fuel. This type of unconditional cash transfer resulted in not only improved living conditions but also facilitation of the local economy (Barrientos & Holmes, 2006; Mesa-Lago & Marquez, 2007).

3) Social Assistance as Poverty Prevention

As noted earlier, some social assistance schemes are used in the form of pensions or allowances to prevent a vulnerable population from falling into poverty brought on by retirement, disability or a large number of children. The eligibility for such preventive schemes are determined not by potential recipients' contribution histories but by a means-test, similar to other social assistance provisions.

For example, Australia has developed its social assistance scheme in the form of pensions, which were introduced at different times to meet the particular needs of the poor (OECD, 1998b). Under this system, almost all people in need can claim a type of pension which guarantees the minimum living standard. Unlike social insurance schemes in other countries, Australia's pension scheme does not require contributions. Rather, eligibility is determined by a means-test to ensure that only those in need benefit from the pension. For example, Age Pension is provided only to the elderly poor based on a means-test. In the same way, Disability Support Pensions and Career Pensions are provided to the disabled and sick with low-income. Finally, poor families with children are eligible for Sole Parent Pensions (OECD, 1998b). In fact, more and more countries have introduced a pension type of social assistance as a preventive measure against poverty (Barrientos & Holmes, 2006). Non-contributory pensions in Brazil and South Africa are also reported to have a significant impact on poverty prevention (Barrientos et al., 2003).

A slightly different example can be found in Mauritius, where social assistance is used in the form of family allowance to support needy large families. Mauritius' plan was recommended by Richard Titmuss and his colleagues from the London School of Economics in the early 1960s when they

were invited to investigate the need for social security on the island. Following their advice, Mauritius established the universal family benefit for needy families with three or more children, instead of providing selective child benefits (Midgley, 1984a). To be eligible for this scheme, children must be younger than fifteen years old and the annual family income must be tested. In addition, Mauritius has also provided older residents with non-contributory age pensions since 1950 (Willmore, 2006).

4) Social Assistance as Social Investments

As previously described, social assistance has often been criticized as leading to or increasing hindrances to economic growth by discouraging people from working (Murray, 1984). It has also become a target of blame for governmental budget deficits. However, there is a growing consensus that social assistance can also be used to promote economic development by enhancing human capital formation and facilitating economic participation. This normative perspective is well represented in the social investment discourse of recent social policy scholarship.

In fact, the social investment idea has been widely discussed around the world, influenced by the British Third Way approach articulated by Anthony Giddens. Rooted in the social democratic tradition, Giddens attempts to build a framework of policy-making that seeks to adapt social democracy to a changing environment. He asserts the need for a positive welfare and social investment state, and emphasizes investment in human capital (Giddens, 1998).

The social investment idea can also be found in Welfare Developmentalism articulated by James Midgley and his colleagues (Midgley, 1995, 1999;

Midgley & Sherraden, 2000; Midgley & Tang, 2001). Based on the experiences of developing countries of the Global South, this approach suggests that people's well-being can best be promoted by linking social welfare programs to economic development. To this end, it asserts that social welfare programs should be investment-oriented or productivist, so that they enhance people's capabilities to contribute positively to economic development. It advocates social investment programs that promote the capabilities of the poor to participate in a productive economy.

Social assistance provisions that are investment-oriented are now found in many parts of the world. There has been growing evidence of the positive economic impact of social investment in recent years. Notably, the conditional cash transfer schemes in Latin America, which were mentioned earlier, have received growing scholarly attention. Conditional cash transfer schemes provide financial support to needy families who meet certain criteria of behaviors, such as sending children regularly to school, getting regular medical check-ups, and having children immunized. These "conditionalities" are widely known to be effective in promoting long-term investments in human capital (Mesa-Lago & Marquez, 2007; Rawlings, 2005). The Economist magazine also acclaimed this approach as one of the contributing factors of Latin America's economic growth (Dannemiller, 2007). In addition, increased consumption by beneficiary households can stimulate the local economy by boosting aggregate demand.

Examples of social investment schemes include Brazil's Bolsa Escola which now has been upscaled to Bolsa Família, Colombia's Familias en Acción, Ecuador's Bono de Desarrollo Humano, Honduras' Programa de Asignación Familiar, Mexico's OPORTUNIDADES, and Nicaragua's Red de Protección Social (Barrientos & Holmes, 2006). Among these, Mexico's OPORTUNIDADES is one of the first large-scale conditional cash transfer

schemes in Latin America. It targets poor households with children in both rural and urban areas. It has been upscaled from the PROGRESA scheme of 1997 which provided conditional cash transfers only to rural areas. Under OPORTUNIDADES, the government provides poor households with US \$8-30.5 per school-age child every month, US \$15.5-20.5 school materials per year, and a maximum of US \$75 per household, per month (Barrientos & Holmes, 2006). On average, the transferred cash benefits from OPORTUNIDADES makes possible 21% of a total household's consumption. Evaluations of this scheme revealed improved school enrollment rates of between 7.2 and 9.3 percentage points above the base of 67% for girls, and between 3.5 and 5.8 percentage points above the base of 73% for boys. It also contributed to improved nutrition and health status of both the children and adults (Mesa-Lago & Marquez, 2007; Rawlings, 2005).

Another productivist social assistance provision is the microcredit approach which provides small capital loans to help the poor establish micro-enterprises. Unlike conventional social assistance benefits designed to meet the immediate needs of the poor, the microcredit approach provides a long-term source of income through productive self-employment. Also many different types of the microcredit plans have emerged in the form of non-governmental organizations such as the Grameen Bank of Bangladesh.

Probably the most well known and widely used social investment program in the form of social assistance is the welfare-to-work program. As discussed earlier, unlike the punitive Poor Law type of workfare program which emphasizes work-first intervention as a condition for benefits, welfare-to-work programs aim to achieve self-sufficiency by investing in human capital development and participation in productive economy. Many Western countries adopted this approach to facilitate employment of their welfare

recipients, when the conventional remedial and maintenance-oriented approach faced economic and political challenges. In addition, a number of countries rebranded their social assistance program by adopting new phrases incorporating the added notion of welfare-to-work (Mackay, 2001).

For example, in the late 1990s, the British government adopted the term "New Deal" from the American response to the Great Depression, and began to implement New Labour policies against soaring unemployment. Under this more modern day New Deal, a series of active labor market policies were introduced to reduce unemployment by providing education, training, subsidized employment and voluntary works. This scheme not only included the young and the long-term unemployed, but also, for the first time in British history, single parents and the disabled (Evans and Millar, 2006). The government also introduced the Jobseekers' Allowance, which replaced unemployment benefits and income supports for the unemployed. By emphasizing "Job seeking" efforts, the government discarded the conventional notion of income support for the unemployed.

Another example is the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of the United States which, as noted earlier, replaced the Aid to Families with Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF). In the case of the United States, the rebranding of social assistance is closely linked with revival of Poor Law notions. Emphasis on personal responsibility, temporary provisions, and removal of dependency are the key features of American policies. However, some states have used this scheme to promote self-sufficiency by providing job training, education, job referral, and work incentive programs. For example, the Minnesota Family Investment Program (MFIP) addresses all these issues. The MFIP required long-term welfare recipients to participate in intensive

employment/training services, and made their work pay by increasing earned income allowances when determining MFIP eligibility - up to an absolute income threshold. According to MDRC's evaluation, conducted under a contract with the State of Minnesota (Gennetian et al., 2005), the MFIP contributed positively to increased employment and income, and better school performance by children. Such impact persisted even after the program ended, even for those who were less likely to work after the pilot program.

4. Conclusion

Social assistance schemes have been used to promote various social goals in the wider context of social protection. Four functions of social assistance discussed in this study, however, are not necessarily mutually exclusive. For example, South Africa's Old Age Pension can be seen as a function of both poverty alleviation and poverty prevention. TANF and its welfare-to-work program in the United States can also be viewed functioning as both poor relief and social investment depending on the characteristics of the program provided by each state. This shows the complexities of social assistance even within a system. Despite the complexities, however, discussions regarding the functional aspects of social assistance can provide practical implications for the development of social assistance which has often been neglected in previous regime discussions.

In case of Korea, social assistance functioned as poor relief when the country pursued a policy of rapid economic development between the 1960s and the 1990s. At that time, social assistance was provided to those unable to work, aged below 18 or over 65, who did not have any relatives to support them. In

fact, by providing minimal benefits to only a limited number of the deserving poor, Korea's social assistance program functioned not only as a poor relief program but also as a labor market policy to supply cheap labor for rapid industrialization (Kim and Sung, 1993).

Then the National Basic Livelihood Security System (NBLSS), which is a new social assistance scheme established in 2000 to deal with economic and social consequences of the economic crisis, adopted a poverty alleviation and social investment approach based on the notion of productive welfare. At that time, productive welfare was seen as a policy that "seeks to secure minimum living standards for all people, while expanding opportunities for self-support in socio-economic activities" (Office of the President, 2000: 18). By providing supplementary income subsidy to recipients to meet the national minimum, the NBLSS seemed to work as a poverty alleviation program. The NBLSS also provides a social investment type of welfare-to-work program, known as the Self-Support Program. Unlike public work style "workfare" programs, the Self-Support Program provides job training, education, microcredit, and opportunity to establish micro-enterprises for the unemployed poor who have a reduced ability to work. While the effectiveness of the Self-Support Program is often questioned due to lack of visible outcomes that can be interpreted as social investment, the program seeks to enhance the capacity of social assistance recipients to achieve self-sufficiency through labor market participation.

Despite these developments, however, the NBLSS still has some Poor Law components such as family responsibility and work obligations. Moreover, the all-or-nothing benefit system, which does not allow phasing-out of benefits, often discourages the poor from accumulating assets. Under this system, the income poor have to deplete their assets to be eligible for welfare benefits. This

benefit structure can trap the poor in poverty instead of preventing them from falling into poverty.

As shown in this study, functions of social assistance have been diversified and moving forward to achieve various social goals. While one can not deny that social assistance is a key social protection program which provides income maintenance to deal with immediate poverty, poverty alleviation, poverty prevention, and investment-oriented functions should receive more emphasis. In this regard, Korea's social assistance should be re-examined in terms of its functions, to find a better functional combination for further development. One relevant and interesting question for the future study will be: what is the compatibility of these various functions and how can they be coordinated in one social assistance system?

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사회부조의 기능에 따른 탐색적 개념화: 빈민구제로부터 사회투자까지

조 준 용*

본 연구의 목적은 사회부조의 다양한 기능에 대한 탐색적 개념화를 통해, 다차원적인 사회부조를 대상으로 하는 포괄적인 유형화 연구를 위한 기초를 제공하는 것이다. 기존의 사회부조제도의 유형화에 대한 연구들은 주로 서구 주요 복지국가들의 이념적 빈곤레짐에 기반한 것으로, 사회부조를 다분히 부정적으로 인식하거나, 혹은 과대 단순화하였다. 그 결과, 전 세계적으로 다양한 형태로 발전하고 있는 사회부조와 그 기능들이 종종 간과되었으며, 더 나아가 유형화 연구를 통해 실질적인 이득을 얻지 못하는 한계를 지니고 있었다. 이에 본 연구는 사회부조의 발전 및 사회부조의 기능적 다변화에 대한 고찰을 바탕으로, 사회부조의 기능을 빈민구제, 빈곤완화, 빈곤예방 그리고 사회투자로 개념화하였다. 이러한 개념화는 향후 한국의 국민기초생활보장법의 기능적 발전 방향에 대한 연구에도 함의를 제공할 수 있다.

주제어: 사회부조, 빈민구제, 빈곤완화, 빈곤예방, 사회투자

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