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## **SOCIAL WELFARE AND THE FAMILY: EXAMINING THE POLICY CONSIDERATIONS, SIMILARITIES AND DIFFERENCES IN THE STATE OF WISCONSIN AND SWEDEN**

*Stephanie M. Westhuis*<sup>†</sup>

### I. INTRODUCTION

Welfare reform has been the subject of much debate for over a decade. Proponents of reform have argued for an end to entitlements based on little more than a demonstration of need. In response, Wisconsin, a front-runner in the reform movement, implemented “Wisconsin Works” or W-2, a radical employment-based welfare experiment in 1997.<sup>1</sup> In Scandinavian countries generally, and more specifically in Sweden, there has also been dissatisfaction with the current Swedish welfare system. Swedish reformists, however, seek to increase government aid and make welfare available to more of its residents.<sup>2</sup>

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1. Clark G. Radatz, STATE OF WISCONSIN, LEGISLATIVE REFERENCE BUREAU, WISCONSIN BRIEFS NO. 98-4: WISCONSIN WORKS (W-2), AFDC AND TANF: COMPARISONS AND CONTRASTS IN WELFARE ASSISTANCE 1 (Apr. 1998), available at <http://www.legis.state.wi.us/lrb/pubs/98wb4.pdf> [hereinafter WISCONSIN BRIEFS NO. 98-4].

2. See Regeringskansliet (Sweden’s Ministry of Health and Social Affairs) at [http://www.social.regeringen.se/engqvist/pdf/LarsEngqvist\\_eng.pdf](http://www.social.regeringen.se/engqvist/pdf/LarsEngqvist_eng.pdf) (Sept. 8, 2001).

This comment outlines Wisconsin's new plan and contrasts it to the Swedish Social Assistance Program, which has long been regarded as "the most complete model of a 'Scandinavian' social welfare system."<sup>3</sup> Part II focuses on the diverse policy considerations and illustrates the requirements and objectives of each program. Part III covers the two programs' benefits and compares the elements of each including: monetary benefits/allowances for families with children, childcare, housing subsidies and/or allowances, health insurance, child support assistance for single parents, and job training and educational opportunities for the long-term unemployed. Part IV addresses the effectiveness of the two welfare systems in combating poverty and promoting employment. An extensive analysis of program defects is included. Part V includes recommendations for improvement of each system. Finally, Part VI concludes with observations about the two programs' policies, each government's philosophies, and possible reasons for the differences.

## II. BACKGROUND

The State of Wisconsin "began statewide conversion to its . . . Wisconsin Works (W-2) program for welfare assistance" on September 1, 1997.<sup>4</sup> On March 31, 1998, "[t]ransition to the program was completed, ending the . . . Aid to Families with Dependent Children (AFDC) program," which had been in place for sixty-two years.<sup>5</sup> According to the Department of Workforce Development, the new "W-2 [program] is based on work participation and personal responsibility."<sup>6</sup> "Under W-2, there is no entitlement to assistance, but there is a place for everyone who is willing to work to their ability."<sup>7</sup> It is noteworthy that the focus of the program is to put welfare recipients to work, rather than provide the necessary assistance that would meet the legitimate needs of poverty-stricken families. Further analysis reveals additional flaws in the program.

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3. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, THE BATTLE AGAINST EXCLUSION: SOCIAL ASSISTANCE IN AUSTRALIA, FINLAND, SWEDEN AND THE UNITED KINGDOM 168 (1998) [hereinafter ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT].

4. WIS. STAT. ANN. §49.141(2)(b) (West 1996). See also WISCONSIN BRIEFS NO. 98-4, *supra* note 1.

5. *Id.*

6. Department of Workforce Development, *Wisconsin Works Overview: A Place for Everyone, A System of Supports*, available at <http://www.dwd.state.wi.us/desw2/wisworks.html> (last visited Sept. 8, 2001).

7. *Id.*

The Social Assistance Program in Sweden, which is sometimes called Social Insurance,<sup>8</sup> takes a much different approach. The system itself originated in the early 20th century but has developed significantly since the Second World War.<sup>9</sup> It is most widely recognized for its universal nature.<sup>10</sup> “The whole population of Sweden is covered on an individual basis by a uniform system, irrespective of occupation and, in many cases, regardless of whether the individual is gainfully employed or not.”<sup>11</sup> The country’s philosophy was recently summarized by Mr. Lars Engqvist, Minister for Health and Social Affairs:

The most important thing for me is to open up the welfare system to more people and to combat genuine poverty. Those of us who are well-off must stop complaining about taxes - If there are to be any reductions they must be for the low paid. I personally, and many like me I believe, would rather live in a society without beggars than reduce taxes for the middle class. . . . Priority must be given in the next few years to the question of increased resources to the social service sector.<sup>12</sup>

Mr. Engqvist’s remarks are not solely a reflection of his administration’s social policy but have a constitutional basis as well. The Instrument of Government, one of Sweden’s four fundamental laws, demonstrates in Chapter One, Sweden’s commitment to social rights.<sup>13</sup>

The personal, economic and cultural welfare of the individual shall be fundamental [aims of] public [activity]. In particular, it shall be incumbent upon the public administration to secure the right to work, housing and education, and to promote social care and social security and a good living environment.<sup>14</sup>

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8. Swedish Institute, *Social Insurance in Sweden* (summary), available at <http://searchpdf.adobe.com/proxies/1/6/9/60.html> (last visited Sept. 8, 2001).

9. *Id.*

10. *Id.*

11. *Id.*

12. Regeringskansliet, *supra* note 2.

13. The Swedish Constitution, *reprinted in* CONSTITUTIONS OF THE COUNTRIES OF THE WORLD VOL. XVII, SWEDEN, BOOKLET 2, 1 (Gisbert H. Flanz ed., 1996). For a summary, see Swedish Institute, *Constitutional Protection of Rights and Freedoms* (May 1999), available at <http://www.si.se/docs/infoSweden/engelska/fs4.pdf>.

14. *Id.*

The inclusion of this language in the Swedish Constitution emphasizes the significance of social policy in Sweden.

Sweden's policy considerations, are quite distinct from those of Wisconsin, and its approach to social welfare. Sweden's vision is long-term; concerned mainly with reducing poverty and attaining equality for all of its citizens. Wisconsin's strategy, however, is to compel families into self-sufficiency by removing them from the welfare roles, without regard to the resulting quality of life. Without government support many families will be subjected to substandard living conditions. However, present policy in the State of Wisconsin embraces reducing the welfare roles rather than diverting tax dollars to aid the poor.

#### A. *Program Requirements and Objectives*

Eligibility for participation in Wisconsin's W-2 program is dependent upon several financial and nonfinancial requirements.<sup>15</sup> Financially, an individual and his/her "W-2 group which includes the individual, his/her spouse or nonmarital coparent, and any dependent children and grandchildren who reside together, may not have assets in excess of \$2,500, excluding a home and a vehicle or vehicles up to \$10,000 in value."<sup>16</sup> The individual must also meet the following nonfinancial requirements in order to qualify: 1) be a custodial parent of at least eighteen years of age (teen parents are ineligible), 2) be a citizen of the United States, permanent resident or other qualifying alien residing in Wisconsin, 3) fully cooperate with efforts to determine paternity of dependent children and collection of child support, 4) assign to the state any right to income support or maintenance from any other source, 5) continue to search for unsubsidized employment, and 6) contact officials within ten days if circumstances change that may affect eligibility.<sup>17</sup> The preceding are the minimum requirements and are not all-inclusive.<sup>18</sup> Failure to meet any of these will result in removal from the program.<sup>19</sup>

Sweden's Social Assistance Program has financial and nonfinancial criteria as well. However, certain aspects of the program are not means-

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15. Wisconsin Council on Children and Families, *The WCCF Rough Guide to W-2*, available at <http://www.wccf.org/summary.html> (last visited Sept. 8, 2001) [hereinafter *The WCCF Rough Guide to W-2*].

16. *Id.* See WIS. STAT. ANN. §49.145(3) (West 1996).

17. WIS. STAT. ANN. §49.145(2) (West 1996) (covering requirements 1, 2, 3 and 5); WIS. STAT. ANN. §49.19(4)(h)1.b (West 1996) (covering requirement 4). See also *The WCCF Rough Guide to W-2*, *supra* note 15.

18. *Id.*

19. *Id.*

tested and are available to all Swedish families, (i.e., child allowances).<sup>20</sup> "The legal framework for social assistance is provided by Section 6 of the Social Services Act of 1980,<sup>21</sup> which states that an individual is 'entitled' to assistance at a 'reasonable level' if his or her 'needs cannot be met in any other way.'<sup>22</sup> There is also a provision which states that the assistance should be furnished "in a manner which strengthens the independence of the individual."<sup>23</sup> No definition is provided in the statute as to what constitutes "reasonable" assistance. Nor are standards expressed in the provision which would measure how the assistance "strengthens the independence of the individual."

The "social allowance" is a form of Swedish governmental financial support which is means-tested.<sup>24</sup> The social allowance expenditures are funded by each municipality in Sweden from the municipality's own revenues which come from local taxation and central government grants.<sup>25</sup> Municipalities are also responsible for administration of the social allowance,<sup>26</sup> and "determine the rates of allowance in their area."<sup>27</sup> The city of Sundsvall, for example, which is representative of an "average" municipality in Sweden, pays a rate of SEK 3451 per month (\$374.78).<sup>28</sup> This benefit targets the daily needs of the parent or parents alone. There is a separate "child allowance" and "housing allowance."

Social allowance applicants are expected to deplete their own resources before requesting municipal assistance.<sup>29</sup> This requirement "includes using cash savings and selling capital assets."<sup>30</sup> In practice, however, many municipalities defer the expectation that major assets be sold until the applicant has been receiving a social allowance for a

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20. REGERINGSKANSLIET, SWEDISH FAMILY POLICY FACT SHEET No. 2 (Jan. 2000) [hereinafter SWEDISH FAMILY POLICY].

21. An English language version of this Act can be obtained in booklet form from the Ministry of Health and Social Affairs: REGERINGSKANSLIET, SOCIAL SERVICES ACT AND CARE OF YOUNG PERSONS (SPECIAL PROVISIONS) ACT/LVU AND CARE OF ABUSERS (SPECIAL PROVISIONS) ACT/LVM, Nov. 1998.

22. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 175.

23. *Id.*

24. *Id.* at 178.

25. *Id.* at 179. Base rates for the social allowance are derived from surveys of household budgets. *Id.* at 62.

26. *Id.* at 179.

27. *Id.* at 175.

28. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 62.

29. *Id.* at 178.

30. *Id.*

duration, rather than at initial application.<sup>31</sup> Additionally, if a vehicle is necessary for employment or job search, it is exempt from the sale requirement.<sup>32</sup> “Similarly, a house will not be required to be sold where homelessness would result, or where the sale would generate no capital.”<sup>33</sup>

As with Wisconsin’s W-2 program, applicants for social assistance in Sweden are required to seek employment.<sup>34</sup> The municipal assistance office requires registration with the Public Employment Service (PES) which maintains a cooperative arrangement with each social worker and program participant.<sup>35</sup> The PES offices, which number approximately 400, are the local establishments responsible for implementing Swedish government labor market policy.<sup>36</sup> Failure to seek employment or register with the PES could result in reduced payments or removal from the program; although where children are involved, sanctions are rarely used.<sup>37</sup>

In cases of non-compliance, social workers, who are responsible for assessing all applicants and providing appropriate services on an individual basis, attempt to determine and address the reason.<sup>38</sup> They link clients with service interventions that help address any underlying social problems, including financial management, child welfare, or dependence on drugs or alcohol.<sup>39</sup> The social work assessment is key in identifying and reducing the likelihood of long-term dependency on benefits and services. The “social problems . . . while they may either result in unemployment or be partly caused by long-term unemployment, are not in the first instance employment issues.”<sup>40</sup>

The collaborative relationship between the government support offices and social services has long been a strength of the Swedish social assistance system.<sup>41</sup> The minimum income support system is used to provide a safety net while addressing and identifying the wider problems

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31. *Id.* at 178. Since many social assistance claims are of short duration, this requirement is rarely imposed. *Id.* at 26.

32. *Id.* at 178.

33. *Id.*

34. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 177.

35. *Id.*

36. Swedish Institute, *Swedish Labor Market Policy* (Sept. 1999), available at <http://www.si.se/docs/infoSweden/engelska/fs6.pdf>. [hereinafter *Swedish Labor Market Policy*].

37. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 177, 178.

38. *Id.*

39. *Id.* at 106.

40. *Id.* at 107.

41. *Id.* at 129.

which lead to long-term dependency.<sup>42</sup> Swedish experience shows that differentiating these clients from routine income support by referral to social work staff has “helped to prevent the most severe long-term effects of such problems . . . and thereby reinforced social cohesion.”<sup>43</sup>

This philosophy contrasts sharply with Wisconsin’s “work-first” attitude. All individuals who apply for W-2 must interview with and be assessed by a financial employment planner (FEP).<sup>44</sup> The FEP then determines the individual’s employability and creates a plan for work placement based on one of four employment tiers:

1. **Unsubsidized employment:** All W-2 participants are required to search for unsubsidized employment. No cash benefits are paid, although participants in this category might be entitled to food stamps, Medical Assistance or BadgerCare, Childcare and Job Access Loans.
2. **Trial jobs:** Individuals who need additional work experience and training before entering the regular workforce may be placed in a trial job. The W-2 agency must pay the employer a wage subsidy of up to \$300 per month for full-time employment, in return for which the employer must make a good-faith effort to retain the participant on a permanent, unsubsidized basis. A trial job can last for three to six months and can pay no less than minimum wage, currently \$5.15 an hour. (As a practical matter, this job category is very seldom used.)
3. **Community Service Jobs (CSJs):** Those who need substantial training and experience before moving into either a trial job or unsubsidized employment may be placed in a community service job. CSJ jobs are supposed to be limited to projects that serve a useful public purpose, or generate revenue that offsets all or part of the cost of the project. CSJ participants are required to work up to 30 hours per week and participate in educational and training activities for up to 10 hours per week, for a total of 40 hours. Some participants may be allowed to attend technical college for up to 15 hours; those participants will be required to work 25 hours. CSJ participants receive a monthly grant of \$673. Participants with part-time jobs may

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42. *Id.*

43. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 129.

44. *The WCCF Rough Guide to W-2*, *supra* note 15.



be eligible for prorated benefits based on the number of hours of W-2 work activity they are assigned.

4. **Transitional Placements (W-2T):** If the W-2 agency determines that a participant is incapable of performing a trial job or CSJ, has been or will be incapacitated for at least 60 days, or is needed in the home to take care of another member of the W-2 group, s/he is eligible for W-2T placement. W-2T participants may be required to attend work activities (including AODA evaluation or treatment, mental health counseling, or physical rehabilitation) for up to 28 hours per week, and participate in education and training activities for up to 12 hours per week, for a total of 40 hours. Some participants may be allowed to attend technical college for up to 15 hours; those participants will be required to work 25 hours. W-2T participants receive a monthly cash benefit of \$628. Participants with part-time jobs may be eligible for prorated benefits based on the number of hours of W-2 work activity they are assigned.<sup>45</sup>

Placement in any of the work program categories may not exceed twenty-four months (with the exception of unsubsidized employment); however, extensions are available based on individual need.<sup>46</sup> Still, "if a person reaches the 24-month limit in one work program and placement in another work program is not appropriate, they may be barred from all cash assistance."<sup>47</sup>

### III. PROGRAM BENEFITS

#### A. *Benefits for Children*

##### 1. Child Allowances and Childcare

In Sweden, all parents receive "child allowances" for their children regardless of family income.<sup>48</sup> The child allowance is paid at the rate of SEK 850/month (\$92.31) for children under the age of sixteen.<sup>49</sup> The

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45. *Id.* See WIS. STAT. ANN. §49.147(2) (West 1996) (outlining criteria for unsubsidized employment); WIS. STAT. ANN. §49.147(3) and §49.148(1)(a) (West 1996) (outlining criteria for trial jobs); WIS. STAT. ANN. §49.147(4) and §49.148(1)(b) (West 1996) (outlining criteria for community service jobs); WIS. STAT. ANN. §49.147(5) and §49.148(1)(c) (West 1996) (outlining criteria for transitional placements).

46. *Id.*

47. *Id.*

48. SWEDISH FAMILY POLICY, *supra* note 20.

49. *Id.*

extended child allowance, for children aged sixteen or over and who are attending secondary school (junior high school), pays the same.<sup>50</sup> For families with three or more children, an additional child allowance is paid.<sup>51</sup> “A supplement of SEK 227/month [\$24.65] is paid for the third child, SEK 680/month [\$73.84] for the fourth child, and SEK 850/month [\$92.31] for the fifth and any further children.”<sup>52</sup> The student grant, which pays SEK 850/month (\$92.31) for nine months of the year, supports children attending upper secondary school (high school).<sup>53</sup> An additional allowance is provided to parents of disabled and handicapped children.<sup>54</sup> These universal benefits are tax-free,<sup>55</sup> and are not counted as income for social allowance purposes.<sup>56</sup> In 2001, the government increased the child allowance to SEK 950/month (\$94.25).<sup>57</sup> “The additional child allowance [was] raised correspondingly.”<sup>58</sup>

Sweden also provides child daycare services for all children whose parents are gainfully employed or studying.<sup>59</sup> Childcare is also furnished to parents on social assistance who are without work in order to free their time for the search for employment.<sup>60</sup> Centers for daycare provide a combination of educational activity and practical care, and the staff consists of qualified pre-school teachers and recreation instructors supplemented by child-care attendants.<sup>61</sup> The daycare centers, which have been required by legislation since 1993,<sup>62</sup> call for all municipalities to make childcare places available for all children aged one through six years and

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50. *Id.*

51. *Id.*

52. *Id.*

53. *Id.*

54. SWEDISH FAMILY POLICY, *supra* note 20.

55. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 25.

56. *Id.* at 38.

57. SWEDISH FAMILY POLICY, *supra* note 20.

58. *Id.*

59. *Id.* Sweden's first government-sponsored childcare operation opened in 1854 for use by single mothers who were obliged to work for a living. Swedish Institute, *Childcare in Sweden* (Oct. 1999), available at <http://www.si.se/docs/infoSweden/engelska/fs86.pdf> [hereinafter *Childcare in Sweden*].

60. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 47.

61. SWEDISH FAMILY POLICY, *supra* note 20.

62. Efforts to obtain a citation to an English language translation of this piece of legislation were unsuccessful.

provide after-school care for children aged up to twelve.<sup>63</sup> “The provisions [were] developed to support a high level of work force participation by women, as part of both a high employment and an equal opportunity strategy.”<sup>64</sup> As a result, in 1991 “84 percent of Swedish-born lone mothers were in the labor force.”<sup>65</sup> The children through age six attend preschool while the school-age children are offered care at what are called leisure-time centers.<sup>66</sup> Parents pay a monthly fee for each child placed at the daycare center, which is related to parental income, the amount of time the child spends there, and size of the family.<sup>67</sup> New government proposals now seek to impose a maximum fee for child daycare in order to reduce the costs to parents who are employed outside of the home.<sup>68</sup> Also to the Swedish government’s credit is the fact that since the mid-1990s, waiting lists, which were prevalent since the 1960s, disappeared with a record number of new childcare openings.<sup>69</sup> In Sweden, “[p]ublic childcare has become an integral part of the Swedish welfare state and of most families’ everyday lives.”<sup>70</sup>

The W-2 program in Wisconsin also contains a provision for childcare benefits.<sup>71</sup> However, Wisconsin’s eligibility for childcare services is based on income.<sup>72</sup> “Initial eligibility is [confined to those] families with gross incomes of 185% of the [Federal Poverty Level] FPL [or less].”<sup>73</sup> “[O]nce enrolled, families remain eligible until [their] gross income exceeds 200% [of the] FPL.”<sup>74</sup> Just as in Sweden, the program is available to custodial

63. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 173.

64. *Id.*

65. *Id.* It is important to note that Swedish single mothers participate in the labor market at the same rate as those with partners. The access to subsidized childcare allows these women to be employed outside of the home. *Id.* at 14.

66. SWEDISH FAMILY POLICY, *supra* note 20. Over 87% of children aged one through six take part in municipal preschool, and approximately 95% of school-age children participate in leisure-time care. *Childcare in Sweden, supra* note 59.

67. SWEDISH FAMILY POLICY, *supra* note 20.

68. *Id.*

69. *Childcare in Sweden, supra* note 59.

70. *Id.*

71. *The WCCF Rough Guide to W-2, supra* note 15.

72. *Id.*

73. *Id.* The FPL is currently \$13,800 for a family of three; \$16,700 for four. CLARK G. RADATZ, STATE OF WISCONSIN, LEGISLATIVE REFERENCE BUREAU, BUDGET BRIEFS NO. 00-2: BADGERCARE REVISED 1 (Jan. 2000), available at <http://legis.state.wi.us/lrb/pubs/00bb2.pdf>. [hereinafter BUDGET BRIEFS NO. 00-2].

74. *The WCCF Rough Guide to W-2, supra* note 15.

parents (or the equivalent) of children aged twelve and under.<sup>75</sup> Once a family has qualified, they are required to “pay a percentage of the cost of childcare according to a schedule set by the Department of Workforce Development (DWD) that takes into account family size, gross income, number of children and type of child care.”<sup>76</sup> Unlike the municipally provided and funded childcare centers that are available in Sweden, the parents in Wisconsin must seek out and secure private daycare services.<sup>77</sup> Parents may select one of four types of childcare providers for which costs will be reimbursed by the state:

1. Programs provided or contracted for by a school board
2. Licensed daycare centers - These centers must provide care for four or more children under age 7 and must be licensed by the Department of Health and Family Services (DHFS).
3. Certified (regular) - If there is no requirement that a center be licensed by the state, it must be certified by the county department of social or human services in order to receive childcare funding. Regularly certified providers must complete 15 hours of training. The maximum rate of reimbursement is 75% of the licensed provider rate.
4. Certified (provisional) - There is currently no training requirement for provisionally certified providers. The maximum reimbursement rate is 50% of the licensed provider rate. Providers who care only for relatives may only be reimbursed at the provisional rate, regardless of training.<sup>78</sup>

After much criticism, the State of Wisconsin made some revisions to its W-2 childcare subsidies in its biennial state budget act (1999 Wisconsin Act 9).<sup>79</sup> It provided, in part, for subsidies for physically or mentally disabled children aged thirteen through eighteen who are incapable of

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75. *Id.*

76. *Id.*

77. *Id.*

78. *Id.*

79. The relevant portion of 1999 Wisconsin Act 9 has been codified in WIS. STAT. ANN. §49.155(1m) (West 1999). See also CLARK G. RADATZ, STATE OF WISCONSIN, LEGISLATIVE REFERENCE BUREAU, BUDGET BRIEFS NO. 99-13: WISCONSIN WORKS (W-2) MODIFICATIONS 1 (Dec. 1999), available at <http://www.legis.state.wi.us/lrb/pubs/99bb13.pdf>. [hereinafter BUDGET BRIEFS NO. 99-13].

caring for themselves.<sup>80</sup> The Act also reduced the “maximum [parental] co-payment from 16% to 12% of the family’s gross income.”<sup>81</sup> In addition, families that require childcare for less than twenty hours per week will have their co-payment reduced.<sup>82</sup> Formerly, all parents were responsible for the same co-payment for childcare services regardless of how many hours their children used it.<sup>83</sup>

## 2. Child Support

The two welfare plans, Wisconsin, in Welfare Works (W-2), and Sweden, in its Social Assistance Program, also include provisions for child support. However, the provisions, unique to the program for which they were written, bear little resemblance to each other. Beginning on October 1, 1997, the U.S. federal government gave Wisconsin a waiver which allows the majority of W-2 participants to receive all of their child support without any reduction in W-2 benefits.<sup>84</sup> “Previously, recipients could retain the first \$50 of child support paid each month (or 41% of the total support paid, whichever was greater), and the remainder was paid to the government.”<sup>85</sup> The waiver, however, necessitates that a control group of 4,000 continue under the old system in which the government received part of the support, to determine whether direct payment of child support to the families reduces compliance with support orders.<sup>86</sup> The child support provision further states that “[c]ustodial parents who refuse to cooperate with government efforts to secure child support . . . will be denied W-2 benefits.”<sup>87</sup> Wisconsin, apparently, is seeking to increase parental support to children, which will in turn reduce its financial burden in caring for children in low-income families.

Sweden’s provision on child support, entitled “maintenance support,” focuses on increasing support for children in single-parent families rather than reducing payments to these children. As in Wisconsin, “non-custodial parent[s] [are] required to contribute towards the child’s living costs,” though the payment in Sweden is called a maintenance allowance instead

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80. BUDGET BRIEFS NO. 99-13. “Previously, Wisconsin was one of four states that did not provide a childcare subsidy for these children.” *Id.*

81. *Id.*

82. *Id.*

83. *Id.*

84. WISCONSIN BRIEFS NO. 98-4, *supra* note 1, at 5.

85. *Id.*

86. *Id.*

87. *Id.*

of child support.<sup>88</sup> In Sweden, however, where the non-custodial parent does not pay, or the court-ordered maintenance level is considered insufficient, the government will provide the support.<sup>89</sup> "Maintenance support for [one] child . . . is paid at a rate of SEK 1173/month [\$127.39] by the local Social Insurance Office [SIO] to the custodial parent."<sup>90</sup> In contrast to Wisconsin's program, this amount does not affect, nor is it affected by any other government-provided income.<sup>91</sup> The non-custodial parent is responsible for repayment of maintenance support to the SIO in an amount which correlates to that parent's income and the total number of children for which that parent pays maintenance.<sup>92</sup> "The custodial parent's income makes no difference."<sup>93</sup>

### B. Housing Benefits

Sweden's Social Assistance Program also includes a housing allowance for households with children.<sup>94</sup> The housing allowance is income-tested and consists of two components.<sup>95</sup> The first component relates to the cost of the housing.<sup>96</sup> "The second component, [which is a supplement to the first component], is related to the number of children in the household[:] one child - SEK 600/month [\$65.16], two children - SEK 900/month [\$97.74], [and] three children or more - SEK 1200/month [\$130.32]."<sup>97</sup> In order to control costs, the government does impose maximum benefit levels.<sup>98</sup> There is, however, no limit on the quality or

88. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 173.

89. *Id.*

90. SWEDISH FAMILY POLICY, *supra* note 20.

91. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 173.

92. SWEDISH FAMILY POLICY, *supra* note 20.

93. *Id.*

94. *Id.*

95. *Id.*

96. *Id.*

97. *Id.*

98. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 180. Housing allowances are limited to 2,500 SEK (\$271.50) per month for families with one child, 3,175 SEK (\$344.81) per month for those with two children, and 3,900 SEK (\$423.54) per month for families with three [1999 figures]. Swedish Institute, *The Financial Circumstances of Swedish Households* (May 2000), available at <http://www.si.se/docs/info/sweden/engelska/fs23.pdf> [hereinafter *The Financial Circumstances of Swedish Households*].

size of the accommodation.<sup>99</sup> In fact, the quality of housing is very high on average.<sup>100</sup> “Almost three-quarters of [houses and apartments] were built after 1940, and more than a fifth were built in the 1970s.”<sup>101</sup> It is also customary for all modern appliances and equipment to already be installed in the housing prior to the tenant or owner moving in.<sup>102</sup>

A housing allowance is provided to “nearly 30% of [all] Swedish households with children.”<sup>103</sup> In the case of single parents, nearly two-thirds receive the allowance.<sup>104</sup> This benefit is in addition to any social allowance which may be provided<sup>105</sup> and does not affect the child allowances which are given to all custodial parents regardless of income. Wisconsin’s W-2 program contains no provision for housing subsidies. However, such assistance is “available” at the federal level through the U.S. Department of Housing and Urban Development (HUD).<sup>106</sup> “HUD operates three major federally-funded . . . programs for low-income families [which assist with housing]”:

1. Public housing: Consists of rental units owned and operated by public housing authorities (PHAs).
2. Project-based Section 8 assistance: Consists of rental units in buildings that are privately owned. Owners receive a subsidy from the federal government to cover the portion of rent not paid by the tenant. These subsidies are tied to specific housing units. Tenants may not use them to rent housing of their own choice.
3. Section 8 tenant-based vouchers and certificates: Tenants can use these to subsidize the rent they pay for the housing of their choice. Tenants typically pay 30 percent of their income in rent, and the PHA pays the landlord the remainder of the full rental cost.<sup>107</sup>

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99. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 180.

100. *The Financial Circumstances of Swedish Households*, *supra* note 98.

101. *Id.*

102. *Id.*

103. SWEDISH FAMILY POLICY, *supra* note 20.

104. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 94.

105. *Id.* at 181.

106. Wisconsin Council on Children and Families, *Living in the Intersection: Welfare Reform and Housing*, available at <http://www.wccf.org/housing.html> (last visited Sept. 8, 2001) [hereinafter *Living in the Intersection*].

107. *Id.*

The implementation of W-2 has caused new difficulties for families living in public housing projects.<sup>108</sup> Most of the residents living in public housing are not allowed to elect which project they live in, “so the opportunity to factor in considerations like proximity to jobs, transportation, and childcare does not exist . . . and since W-2 participants must usually accept the first job they are offered, they cannot choose jobs that are close to home (or jobs that suit them well, for that matter).”<sup>109</sup>

As far as project-based Section 8 assistance, there is a similar crisis.<sup>110</sup>

Each month, more than a thousand project-based Section 8 units leave the program, as 20-year contracts signed in the 1970s expire . . . [and] [this] situation is likely to worsen, as two-thirds of all project-based Section 8 contracts-representing over 1 million subsidized housing units nationwide -will expire over the next five years.<sup>111</sup>

Tenant-based vouchers are probably the most attractive option for parents seeking new or better employment.<sup>112</sup> Tenants in search of better job prospects can take their vouchers to an apartment of their choice.<sup>113</sup> The use of these vouchers allows tenants to move to areas where there are greater opportunities for employment.<sup>114</sup> In Wisconsin, however, “tenant-based vouchers are incredibly scarce.”<sup>115</sup>

Waiting lists for both the City of Milwaukee and Milwaukee County Section 8 programs are so long that they are not even accepting new applications, and have not for some time. Nine thousand names are currently on the Milwaukee County waiting list; family number 9,000 can expect to hand a landlord its first voucher somewhere between five and eight years from now. Things are much rosier in Dane County. The list there has only 2,100 names on it, and the program is still accepting

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108. *Id.*

109. *Id.*

110. *Id.*

111. *Id.*

112. *Living in the Intersection*, *supra* note 106.

113. *Id.*

114. *Id.*

115. *Id.*



applications from families eager to start their two-to-four year wait for housing assistance.<sup>116</sup>

### C. *Health Care Coverage*

In July of 1999, Wisconsin began full implementation of BadgerCare, a health care coverage program for families with low incomes.<sup>117</sup> “BadgerCare allows families with dependent children to receive [medical insurance] if the family’s countable income is at or below 185% of the . . . FPL”.<sup>118</sup> “‘Countable income’ is gross income minus certain exceptions for work-related expenses, childcare costs, and child support payments.”<sup>119</sup> Once eligibility has been determined, recipients may continue to receive benefits if their income does not surpass 200% of FPL.<sup>120</sup> Families receiving BadgerCare with countable incomes in the range of 150% to 200% of FPL must remit a portion of their income as a monthly premium for their coverage, which cannot exceed 3.5% of the family income.<sup>121</sup> The 1999 Wisconsin Act 9 requires the Department of Health and Family Services (DHFS) to limit BadgerCare coverage by reducing maximum income levels for initial eligibility when funds are insufficient to cover projected enrollments.<sup>122</sup>

Sweden provides free medical and dental treatment for children, and free prenatal and maternity health care for expectant mothers.<sup>123</sup> Adults pay subsidized prices, which are limited to SEK 900 (\$97.74) per year.<sup>124</sup> Prescription medicines are provided at prices negotiated by the central government and the pharmaceutical companies.<sup>125</sup> Out-of-pocket costs for prescription drugs are also limited to SEK 900 per year.<sup>126</sup> This limits each patient’s annual liability for medical costs to SEK 1800 per year (\$195.48).

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116. *Id.*

117. BUDGET BRIEFS NO. 00-2, *supra* note 73.

118. *Id.*

119. *Id.*

120. *Id.*

121. *Id.*

122. *Id.* at 2.

123. SWEDISH FAMILY POLICY, *supra* note 20.

124. Swedish Institute, *The Health Care System in Sweden* (May 1999), at <http://www.si.se/docs/infoSweden/engelska/fs76.pdf>. [hereinafter *The Health Care System in Sweden*].

125. *Id.*

126. *Id.*

Individuals have the freedom to choose their own doctors as well as which hospital they wish to attend.<sup>127</sup>

“A fundamental principle of the [Swedish] health care system is that it is a public sector responsibility to provide and finance health services for the entire population.”<sup>128</sup> The eighteen county councils are accountable for ensuring that all residents have access to adequate health care.<sup>129</sup> The county councils levy income tax on their residents, more than 80% of which is spent on financing health care.<sup>130</sup> The county councils are responsible for the allocation of resources to health services and also own and operate the hospitals and health-care centers.<sup>131</sup>

#### IV. THE EFFECT OF THE PROGRAMS ON FAMILIES

##### A. Sweden

Sweden's Social Assistance Program, unlike W-2, has few issues to resolve in regard to assisting unemployed women with children. Sweden's long-term policy has been to promote a high level of employment by women.<sup>132</sup> This policy is demonstrated by an 84% workforce participation by lone mothers,<sup>133</sup> and data which shows that only 15% of social allowance households are run by lone mothers.<sup>134</sup> There are several reasons for these successes. The extensive childcare benefits and guaranteed placement of all children in child daycare is most certainly a factor. The continuation of benefits, such as the universal child allowance and access to housing assistance after securing employment, is significant as well. Other social programs, such as the Parental Cash Benefit<sup>135</sup> and the Temporary Parental Benefit,<sup>136</sup> also contribute to the high level of employment.

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127. *Id.*

128. *Id.*

129. Swedish Institute, *Social Insurance in Sweden* (Aug. 2001), at <http://www.si.se/docs/infosweden/engelska/fs5z.pdf>.

130. *Id.*

131. *The Health Care System in Sweden*, *supra* note 124.

132. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 93.

133. *Id.* at 173.

134. *Id.* at 182.

135. The parental allowance gives parents an opportunity to stay home from work for up to 450 days to spend time with their children. Försäkringskassan, *Information on Social Security*, available at [http://www.fk.se/ny\\_I\\_sverige/engelska.pdf](http://www.fk.se/ny_I_sverige/engelska.pdf). (last visited Sept. 8, 2001) [hereinafter *Information on Social Security*]. The cash benefit is paid at 80% of qualifying income for 360 days. The remaining ninety days are paid at a guaranteed level of SEK 60/day (\$6.52). The days of parental allowance are divided equally between the parents; however, either may transfer her or his days to the other parent except for the thirty days

In Sweden, individuals on social assistance have an incentive to better themselves. Employment does not lead to the abandonment of all government assistance. Families are not left to fend for themselves without basic resources necessary for adequate living conditions. The government support system has checks and balances in place that protect against impoverishment. Individuals, therefore, are allowed to search out better paying positions without financial risk to themselves or their families.

Although the favorable financial circumstances of most Swedish households are partly the result of a strong economy exemplified by low inflation, solid growth, and falling unemployment,<sup>137</sup> it is evident that Sweden's poor families would not be so well-supported by the Social Assistance Program without the high level of taxation which exists in that country. "Sweden's high level of ambition concerning tax-financed services and income redistribution has resulted in comparatively high taxes."<sup>138</sup> Income tax rates in 2000, which include both local government and national tax, range from 29% for those earning 10,000 SEK (\$1,086) per month to a high of 46% for those with incomes of 45,000 SEK (\$4,887) per month.<sup>139</sup> In addition to these taxes, each Swedish citizen is responsible for a pension contribution amounting to 7% of pay.<sup>140</sup> Employers, who contribute the majority of the funds used to run Sweden's social insurance system,<sup>141</sup> also pay significant tax dollars. This policy can have negative effects. "[I]t is becoming more difficult to levy taxes . . . [and] there is a

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called mum's month or dad's month. SWEDISH FAMILY POLICY, *supra* note 20. The parental allowance may be exercised at any time until the child has reached age eight or has completed the first school class. *Information on Social Security, supra*. Parents take advantage of 95% of the 360 days of "high rate" benefit that is available and use approximately 80% of the days paid at guarantee level. SWEDISH FAMILY POLICY, *supra* note 20.

136. The temporary parental allowance is provided for care of an ill child up to the age of twelve. Parents are entitled to 120 cash benefit days per year payable at 80% of qualifying income. SWEDISH FAMILY POLICY, *supra* note 20. Parents can also obtain temporary parental allowance for children who have reached the age of twelve but not sixteen, if the children, when they are ill, are in special need of care and supervision. A doctor has to certify the necessity for the supervision. *Information on Social Security, supra* note 135.

137. *The Financial Circumstances of Swedish Households, supra* note 98.

138. Swedish Institute, *The Swedish Economy* (May 2001), available at <http://www.si.se/docs/infosweden/engelska/fslab.pdf>. [hereinafter *The Swedish Economy*].

139. *The Financial Circumstances of Swedish Households, supra* note 98.

140. *Id.* The pension contribution cannot exceed 21,100 SEK (\$2,291.46) per year. *Id.*

141. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 168.

tendency for tax bases to relocate if they are taxed more heavily in Sweden than elsewhere."<sup>142</sup>

Individual citizens will receive some tax relief in the near future.<sup>143</sup> As the first step of a tax reform plan, gainfully employed individuals will be compensated for one quarter of their contribution to the pension system.<sup>144</sup> Moreover, in the fall 2000 budget bill, an expansion of the compensation to 50% was proposed by the national government.<sup>145</sup> It is unclear whether, or to what extent, the lowering of tax rates will have on Sweden's social programs which rely heavily on this income. It is possible that the funds will be taken from other government programs since the government's commitment to increased social funding is certain.

Despite the generous benefits inherent in the system and the wide coverage it provides, Sweden's Social Assistance Program can be improved. The success of social assistance programs in meeting their goals rests only partly on the policy and design of the program.<sup>146</sup> It also rests on how well the programs are implemented.<sup>147</sup> Sweden's program could realize more efficient administration with some slight modifications that would allow it to better meet its goals.

### 1. Duplicated Functions

The PES plays a significant role in providing a vacancy matching service to those on social assistance who are in search of employment.<sup>148</sup> "However, [the PES appears] to be strongly influenced in the determination of their priorities by the nature of unemployment insurance and unemployment benefit durations."<sup>149</sup> In other words, those individuals who have previously been employed and are receiving unemployment compensation are more likely to be directed to available labor opportunities than those who have not had a job for a more lengthy period. This policy of concentrating employment placement on only part of the unemployed population creates an "insider/outsider problem."<sup>150</sup> Those on

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142. *The Swedish Economy*, *supra* note 138.

143. *Id.*

144. *Id.*

145. *Id.*

146. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 105.

147. *Id.*

148. *Id.* at 109.

149. *Id.* Swedish government policy appears to prefer that individuals be receiving unemployment insurance or unemployment benefit coverage, rather than social assistance.

150. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 109.

the "inside" are those already receiving unemployment coverage.<sup>151</sup> The potential longer-term result of this practice is that those at risk of longer-term dependence (those without a history of steady employment) are less likely to receive PES services.<sup>152</sup>

As a result of this PES policy which unfairly favors those on unemployment benefits, social service offices have also become involved in arranging employment services to social assistance recipients.<sup>153</sup> The activities of social workers in these offices varies from area to area, but "in some localities the PES and the social service office cooperate in either setting goals and priorities or in managing some employment [programs]."<sup>154</sup> There are, however, cases in which social service offices have referred "high-priority" recipients to the PES for employment assistance, only to have the PES give those individuals a low priority, providing them with merely access to lists of job vacancies.<sup>155</sup>

## 2. Cost Shifting

As in the PES, where priorities are influenced by the Unemployment Insurance System, the social service offices focus their priorities on placing recipients in employment or training programs which will enable clients to leave social assistance and qualify for unemployment insurance or benefits.<sup>156</sup> While the results of such a policy would appear to be worthwhile, shifting responsibilities can have negative effects. As stated earlier, social assistance benefits are mainly funded by the local government. Unemployment benefits, on the other hand, are distributed on a national level.

"This can distort the focus away from interventions which move the recipient from dependence towards self-reliance, and towards cost shifting."<sup>157</sup> The funding advantages of shifting clients from social assistance into employment where they will be covered by unemployment insurance could cloud social worker judgment. Some of those on social assistance who are not ready for employment may be forced into jobs before being ready.

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151. *Id.*

152. *Id.* at 110.

153. *Id.*

154. *Id.*

155. *Id.*

156. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 110.

157. *Id.*

### 3. Institutional Complexity

Sweden has complex institutional arrangements involving several agencies, ranging from local municipalities to regional and national administrations.<sup>158</sup> The country has, for example:

- a Ministry preparing legislation and national policy;
- a national board to monitor the largely independent Regional Social Insurance Boards;
- an appeal body for social insurance;
- a national board issuing guidance to local governments on health and welfare policy (including social assistance);
- municipalities providing social assistance; and
- county courts which decide appeals against local decisions.<sup>159</sup>

“This complexity reduces accountability for final outcomes, especially when the involvement of the PES . . . is factored in.”<sup>160</sup> With so many agencies involved in prescribing policy, monitoring delivery of systems, and providing services, there is a great opportunity for component parts to operate independently without “tying their objectives and practices into the desired overall objective: providing assistance in a manner which moves as many people as possible from benefits to a self-supporting situation, as quickly as possible.”<sup>161</sup>

There are, however, some instances in which multi-agency planning has been implemented.<sup>162</sup> The borough of Rinkeby in Stockholm, for example, has enacted this policy.<sup>163</sup> Multi-agency planning allows each arm of the administration to coordinate goals and practices toward one common objective.<sup>164</sup> This level of cooperative planning appears, however, to be the exception rather than the rule.<sup>165</sup>

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158. *Id.* at 111.

159. *Id.*

160. *Id.*

161. *Id.*

162. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 111.

163. *Id.*

164. *Id.*

165. *Id.*

#### 4. Variations in Determinations of Eligibility for Benefits

Since local municipalities fund and oversee their own locale's Social Assistance Program, there are considerable differences in the application of system benefits depending on where an applicant resides.<sup>166</sup> The overall use of this discretion can have negative effects on those seeking government aid.<sup>167</sup> In a study published by the Centre for Evaluation of Social Services, for example, it was found that there were variations in the amount of appointments granted to telephone applicants to discuss receiving assistance with social workers.<sup>168</sup> Although an average of 67% of those who phoned were granted an interview with a social worker, the variation between the seven municipality offices was great, with the highest appointment rate at 98%.<sup>169</sup> Of those who were granted an appointment, an average of 76% were awarded social assistance.<sup>170</sup> This rate too, however, varied between municipalities from 70% to 96%.<sup>171</sup> The study, while acknowledging that the Social Services Act allows local political discretion for municipalities to decide on when social assistance is appropriate, found that the variation was larger than should be anticipated.<sup>172</sup> "[T]he differences in practice that we revealed between the seven offices were greater than one would expect from differences in local socio-economic circumstances."<sup>173</sup> The researchers have called for more studies that might explain why some similarly situated applicants are considered eligible while others are denied assistance.<sup>174</sup>

While the problems with Sweden's Social Assistance Program appear quite extensive, in reality most of them can be remedied with a few administrative directives. There is no need for a complete policy overhaul, as is necessary with Wisconsin's welfare program.

#### 5. Successes and Upcoming Changes

Even though the two systems have obvious differences in priorities, Sweden has done the one thing well that Wisconsin is striving to do: families are working. Sweden's success, however, was not the result of "a

166. Centre for Evaluation of Social Services, The National Board of Health and Welfare, *Study on Variations in Social Expenditure Between Municipalities*, English Summary (1997) [hereinafter *Study on Variations in Social Expenditure Between Municipalities*].

167. See generally *id.*

168. *Id.*

169. *Id.*

170. *Id.*

171. *Id.*

172. *Study on Variations in Social Expenditure Between Municipalities*, *supra* note 166.

173. *Id.*

174. *Id.*

quick purge of the welfare rolls," but the aftermath of long-term promotion of giving those with special needs equal access to employment opportunities throughout their working life. Furthermore, Sweden is not content with merely getting its citizens to work. Sweden has been concerned with the nature and quality of paid employment and seeks in the next few years to improve even further the situation of children and families with children.<sup>175</sup> The implementation of its Adult Education Initiative, which offers study grants to those who are unemployed and have not completed upper secondary school (high school), is but one more example of this priority.<sup>176</sup>

Swedish labor market policy has been a cornerstone in the central government for many years.<sup>177</sup> Since World War II, Sweden has relied on the "activation and skills enhancement principle" (*arbetsoch kompetenslinjen*) in shaping that policy.<sup>178</sup> This principle is based on the theory that "an unemployed person who cannot find work should primarily be offered training and, secondarily, a workplace trainee position or temporary job."<sup>179</sup> One of the main tasks of the Labor Market Administration is to uphold the activation principle.<sup>180</sup> The Administration also seeks to "prevent individuals who are at a disadvantage in the labor market from being excluded. . . . It does so by means of placement, guidance, vocational rehabilitation, training and other . . . programs. . . ."<sup>181</sup> Sweden has apparently grasped the concept that unskilled, uneducated workers need training and/or schooling before being propelled into the marketplace. As we will see, one of the major drawbacks of Wisconsin's program is its failure to adequately address those needs.<sup>182</sup>

175. Finansdepartementet, Regeringskansliet, *A Spring Fiscal Policy Bill for Work, Development and Equality*, Apr. 13, 2000 [hereinafter *Spring Fiscal Policy Bill*].

176. MINISTRY OF EDUCATION AND SCIENCE, REGERINGSKANSLIET, *THE ADULT EDUCATION INITIATIVE FACT SHEET* (1999). The Adult Education Initiative was established on July 1, 1997. Grants are available to qualifying persons aged twenty-five through fifty-five. Each individual's desires, needs and preconditions are instrumental in steering and shaping the form and content of the education. *Id.*

177. *Swedish Labor Market Policy*, *supra* note 36.

178. *Id.*

179. *Id.*

180. *Id.* The Labor Market Administration is a public agency which oversees The National Labor Market Board, the county labor boards, the offices of the Public Employment Service, and the employability institutes.

181. *Id.*

182. See discussion *infra* Part IV.B.



The Labor Market Administration additionally oversees “employability institutes,” which number approximately 120 nationwide.<sup>183</sup> The employability institutes contain further resources for those who have difficulty gaining or keeping work. They specialize in assisting those who “need in-depth counseling and job-preparation measures to break into the labor market.”<sup>184</sup>

Sweden has also implemented several “programs [designed] to encourage demand for labor and generate employment.”<sup>185</sup> One of the plans involves the use of individual recruitment subsidies.<sup>186</sup> First offered on January 1, 1998, these subsidies were created to make it easier for those registered with the PES, particularly those who are long-term unemployed, to find work.<sup>187</sup> “They are a form of wage subsidy paid to employers who hire the unemployed, aimed at encouraging these employers to accelerate the hiring process and to hire the unemployed as substitutes for regular employees who are being given an opportunity for further education with pay.”<sup>188</sup> These individual recruitment subsidies may be paid to employers at the rate of as much as 50% of wage costs, but are limited to 350 SEK (\$38.01) per day.<sup>189</sup> This program is innovative in that it encourages those already employed to return to school to further their education, while at the same time freeing up space for someone who is in need of job placement. The fact that many of the current employment opportunities exist in fields which require an upper secondary school certificate<sup>190</sup> further adds to the usefulness of this program. If current employees are allowed to renew their educations, upon return to the job market they possibly will be able to move into these occupations where the demand is higher. Their previous positions could then become available to formerly subsidized employees or other hard-to-place workers.

“Resource jobs” are also available to the long-term unemployed.<sup>191</sup> “A resource job is a form of relief work aimed at offering job seekers . . . some form of employment.”<sup>192</sup> These jobs encourage an employee to spend 90% of his/her time raising the quality of work at the job site and 10% of their time taking part in an individualized skills enhancement

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183. *Id.*

184. *Swedish Labor Market Policy, supra* note 36.

185. *Id.*

186. *Id.*

187. *Id.*

188. *Id.*

189. *Id.*

190. *Swedish Labor Market Policy, supra* note 36.

191. *Id.*

192. *Id.*

program and permanent job search.<sup>193</sup> Resource jobs can be arranged by the central government, municipalities, church organizations, and Social Insurance Offices, among others.<sup>194</sup>

“Employment training” is another Swedish program which assists in removing individuals from social assistance and into the job market.<sup>195</sup> “The idea [behind employment training] is to offer job seekers training in occupations in which there is a shortage of labor. . . . [I]t aims primarily at people with a weak position in the labor market.”<sup>196</sup> Program participants receive SEK 103 (\$11.19) per day, unless receiving unemployment compensation in which case they receive a grant equivalent to what that benefit would have been, but no less than SEK 240 (\$26.06) per day if they are in full-time employment training.<sup>197</sup>

The government also offers several types of relocation grants for people who are unemployed.<sup>198</sup> The first, which is offered to individuals who have been invited to interview in another locality, compensates for travel expenses.<sup>199</sup> The second type, entitled “commuting grants,” is available to those who accept employment in another locality and choose not to move.<sup>200</sup> Third, are the “starting grants” which are provided to those who have taken a job in a new locale and decide to relocate.<sup>201</sup> Starting grant benefits can include cash, shipment of household goods, and the cost of travel to the new living quarters.<sup>202</sup>

These numerous programs aimed at encouraging employment for hard-to-place employees, coupled with a generous system of social assistance which requires recipients to seek work, are the backbone of Swedish social policy and can be credited for the eradication of poverty in Sweden.

The Swedish government has also implemented several new initiatives aimed at further increasing participation in the workplace by its citizens.

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193. *Id.*

194. *Id.*

195. *Id.*

196. *Swedish Labor Market Policy*, *supra* note 36.

197. *Id.*

198. *Id.*

199. *Id.*

200. *Id.*

201. *Id.*

202. *Swedish Labor Market Policy*, *supra* note 36. This article has only addressed a small portion of the programs and subsidies aimed at increasing employment among Swedish citizens. Among the many others in existence are: start-up grants, employment development (ALU), workplace introduction (API), computer workshops/activity centers, and project work. *Id.*

Since July of 2001, all children of the unemployed have been given a right to child-care in order to allow the parents to be better equipped to seek out job opportunities.<sup>203</sup> Additionally, in 2002, a maximum charge for childcare will be introduced.<sup>204</sup> After that reform takes effect, families will pay no more than SEK 1150 (\$124.89) per month for the first child at daycare, SEK 767 (\$82.64) for the second, and SEK 383 (\$41.59) for the third.<sup>205</sup> Additional children will be allowed placement at no cost, and households on low incomes will pay a reduced fee for each child.<sup>206</sup> “No one will pay more than 3 percent of their income for the first child, 2 percent for the second, and 1 percent for the third.”<sup>207</sup> Sweden is also increasing the resources to its Adult Education Initiative which will be setting aside over 50,000 more places for adults that want to renew their educations.<sup>208</sup>

### B. *Wisconsin*

Wisconsin’s W-2 program needs a complete overhaul of both its policy and methods of implementation. Even the least cynical persons agree that the underlying objectives of W-2 are to end dependence and move people into paying jobs.<sup>209</sup> Others argue that W-2 is simply about caseload reduction.<sup>210</sup> The views espoused by an author of an article in the Milwaukee Journal Sentinel seem to support the latter contention. “W-2 . . . [has been] a rousing success . . . [t]he decline in the number of people receiving cash assistance is stunning—down 93% from 98,000 in the mid-1980s to a bit more than 7,000 today.”<sup>211</sup> There is no doubt that the families that have been removed from the welfare rolls would disagree with the characterization of W-2 as a “success”. Economic difficulties for

203. *Spring Fiscal Policy Bill*, *supra* note 175.

204. *Id.*

205. *Id.*

206. *Id.*

207. *Id.*

208. *Id.*

209. Crocker Stephenson, *Hardest Cases Define Welfare’s Next Challenge*, MILWAUKEE JOURNAL-SENTINEL, Dec. 12, 1999, at 1.

210. Bob Jacobson, *It’s Time for the Governor to Tinker with W-2*, THE BUSINESS JOURNAL, June 30, 2000, at 55, available at <http://www.bizjournals.bcentral.com/milwaukee/stories/2000/07/03/editorial3.html> [hereinafter *Time to Tinker with W-2*].

211. Stephenson, *supra* note 209. As of January 2001, only 6,115 families were receiving cash assistance. Department of Workforce Development, Open letter from Jennifer L. Noyes, Administrator, Workforce Solutions (Mar. 1, 2001) available at [http://dwd.state.wi.us/desw2/w2ltr\\_030101.pdf](http://dwd.state.wi.us/desw2/w2ltr_030101.pdf).

these families remain common, and for some have become even worse.<sup>212</sup> “Despite the state’s booming economy, sizable minorities [have] reported problems paying for such basics as utilities (47 percent), housing (37 percent) and food (32 percent). Indeed, after leaving welfare, families grew almost 50 percent more likely to experience an inability to buy groceries.”<sup>213</sup> Ms. J. Jean Rogers, who heads the administration of W-2, responded to these figures by stating that these problems with food and housing will abate when people learn how to budget.<sup>214</sup> “This is a new experience for them.”<sup>215</sup>

A study released by state officials demonstrates that on average, former welfare recipients who now have jobs are earning \$262 per week.<sup>216</sup> Based on that calculation, a former recipient who labored all year would only earn about \$13,600, which is less than the official poverty threshold for a family of three. Other studies are even more critical of the program.

The University of Wisconsin at Milwaukee recently found that only “28 percent of those leaving welfare had projected annual earnings of \$10,000 or more for two consecutive quarters . . . [and] 75 percent of those who found jobs lost them within nine months. Overall, only 16 percent of those leaving welfare showed earnings above the federally defined poverty line of about \$16,000 a year for a family of four.”<sup>217</sup>

The rate of job loss among former welfare recipients is disturbing. However, the claim by some that this is the result of former “coddling” by the government is unfair. “W-2’s message is that poor people are like baby birds, or toddlers at swimming lessons: Nudge them from the nest, toss them into the pool and they will figure out how to fly or swim.”<sup>218</sup> This oversimplification ignores the wide-ranging sets of problems faced by the former welfare recipients who are forced into low-paying jobs and substandard living conditions.

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212. Jason DeParle, *Wisconsin’s Welfare Plan Justifies Hopes and Some Fears*, N.Y. TIMES, Jan. 15, 1999.

213. *Id.*

214. *Id.*

215. *Id.*

216. *Id.*

217. Michael Massing, *The End of Welfare?*, NEW YORK REVIEW OF BOOKS, Oct. 7, 1999 (reviewing KATHERINE S. NEWMAN, *NO SHAME IN MY GAME: THE WORKING POOR IN THE INNER CITY* (1999)) [hereinafter *The End of Welfare?*].

218. *Time to Tinker with W-2*, *supra* note 210.

Statistics show that only 15% of all applicants who are eligible for childcare assistance in Wisconsin actually receive it.<sup>219</sup> This means that 85% of the participants who are entitled to the benefit are going without. Critics declare that this is the result of what has been called a “light-touch” policy, i.e., don’t ask, don’t tell.<sup>220</sup> “Agents are not allowed to tell the welfare recipients of benefits they are allowed to have unless directly asked by the recipient.”<sup>221</sup> It is evident that this policy is due in large part to the privatization of many of the agencies which provide the W-2 services—private agencies which are in the money-making business.<sup>222</sup> In fact, the Wisconsin Department of Workforce Development recently announced that the “agencies that run W-2 will receive \$46 million in ‘savings’ (read ‘profit’) resulting from caseload reduction from 1997 through 1999.”<sup>223</sup> The aforementioned savings were the outcome of the agencies providing less benefits and offering fewer services to fewer people.<sup>224</sup> “Under this screwed-up system, the less effective an agency is, the more they stand to profit.”<sup>225</sup>

Another result of this “light-touch” policy is the increased need for food pantries and other places where free food is distributed.<sup>226</sup> There is a food stamp program available to all low-income families that qualify, regardless of participation in W-2.<sup>227</sup> However, according to Jim Winship, a University of Wisconsin-Whitewater professor of social work, “people believe that if they’re not in W-2, they can’t get food stamps.”<sup>228</sup> This, undoubtedly, is due in large part to the failure of agents to describe available benefits. A federal report confirms that many eligible families are no longer receiving food stamps. “[U]se of food stamps in Wisconsin dropped 32 percent from 1996 through 1998.”<sup>229</sup> Losing food stamps, even if their value is limited, can make a huge impact on a poor family’s budget.

219. Analisa Drew, *Socialist Action*, *W-2 is Big Business* (June 2000), available at <http://igc.org/saction/news/200006/w2.html> [hereinafter *W-2 is Big Business*].

220. *Id.*

221. *Id.*

222. *Id.*

223. *Time to Tinker with W-2*, *supra* note 210.

224. *Id.*

225. *W-2 is Big Business*, *supra* note 219.

226. *The End of Welfare?*, *supra* note 217.

227. Department of Workforce Development, *Food Stamp Program*, available at [http://www.dwd.state.wi.us/des/onspi/fs\\_eligibility.htm](http://www.dwd.state.wi.us/des/onspi/fs_eligibility.htm) (last modified Nov. 10, 2000).

228. Frank Schultz, *System or Society? Social Workers Debate Where to Place Blame*, THE JANESVILLE GAZETTE, DEC. 21, 1999, at 5A. [hereinafter *System or Society? Social Workers Debate Where to Place Blame*].

229. *Id.*

Winship further notes that “[i]n many cases, a lot of families are just barely making it. . . . These are families that are living on the edge, and sometimes they fall off. . . . [L]ack of food stamps [is a contributing factor].”<sup>230</sup>

The lack of availability of housing subsidies, previously alluded to, has also contributed to the continuing unemployment of many former welfare families.<sup>231</sup> As is often stated, “you need a decent place to live in order to maintain a steady job, and you need a steady job in order to maintain a decent place to live.”<sup>232</sup> Without government aid, these families can barely afford any place to live let alone accommodations that are “decent.”<sup>233</sup> Of people who left welfare during the first quarter of 1998, more than half (55%) had fallen behind on their rent or house payments.<sup>234</sup> This inability to pay often leads to homelessness.<sup>235</sup> Many shelters can no longer meet the demand for beds as unprecedented numbers of families are being evicted from their homes.<sup>236</sup> In fact, as of 1999, the city of Milwaukee’s shelters had become so overcrowded that the Red Cross had to open up emergency housing sites in church basements.<sup>237</sup> The House of Mercy, a shelter in Janesville, “reports turning away 84 people in 1997, 178 in 1998 and 298 in only the first nine months of 1999.”<sup>238</sup> Janesville’s need for space is so desperate that a church-sponsored charity, known as ECHO, gave homeless people motel vouchers for 6,477 nights of shelter in the first ten months of 1999.<sup>239</sup> That figure represents a 33% increase over 1998, and a 98% growth from the 1997 total.<sup>240</sup>

Even those who are able to maintain a place to live can usually only find affordable housing in the inner-city and rural areas.<sup>241</sup> However, many of the entry-level jobs that are being provided by W-2 are located in the suburbs.<sup>242</sup> Consequently, these families are located far from their work and often are not connected by public transportation routes.<sup>243</sup> Moreover,

230. *Id.*

231. *Living in the Intersection*, *supra* note 106.

232. *Id.*

233. *Id.*

234. *Id.*

235. *Id.*

236. *The End of Welfare?*, *supra* note 217.

237. *Id.*

238. Frank Schultz, *Despite Best Efforts, Homeless Sometimes Find No Room at the Inn*, THE JANESVILLE GAZETTE, Dec. 19, 1999, at 6A.

239. *Id.*

240. *Id.*

241. *Living in the Intersection*, *supra* note 106.

242. *Id.*

243. *Id.*

statistics released by state officials establish that only 54% of former welfare recipients have access to a car.<sup>244</sup> Lack of transportation, be it public or private, obviously presents a serious problem for many people in securing and keeping a job.

The W-2 program claims to have addressed the issue of transportation and job access with the creation of so-called Job Access Loans.<sup>245</sup> These loans are extended to individuals who need to secure or maintain employment and can be additionally approved for purchase or repair of a vehicle if it is needed for employment.<sup>246</sup> The loans must be repaid within twelve months and are subject to a \$1,600 maximum.<sup>247</sup> However, W-2 agencies are required to maintain a loan average over a twelve-month period that does not exceed \$800.<sup>248</sup> It is patently unreasonable to assume that these former welfare recipients, most of whom are receiving no childcare benefits, and are unable to afford rent payments or food, would have the ability to assume an additional liability. Although no data is available, one can surmise that these families will either decide against applying for these loans or accept the loan only to default later.

Social issues also influence many of these former welfare recipients' ability to gain and preserve employment.<sup>249</sup> Many have a history of drug or alcohol abuse, emotional instability, learning disabilities, physical handicaps, involvement in abusive relationships, and a lack of social skills needed to enter the workforce.<sup>250</sup> If the W-2 agency recognizes that one of these barriers to employment exists, the client is eligible for location in the W-2T (transitional placement) employment tier.<sup>251</sup> However, continued placement in that category requires attending activities such as Alcohol and other Drug Abuse treatment, mental health counseling, or physical rehabilitation.<sup>252</sup> Participants can have their grant reduced for failure to participate in these programs, and additional sanctions can be imposed for failing drug tests or other deliberate program violations.<sup>253</sup> Even a W-2T participant who faithfully attends all required meetings and makes a genuine effort to beat an addiction or overcome a learning disability, can be removed if after two years (the limit for each employment tier) the

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244. DeParle, *supra* note 212.

245. *The WCCF Rough Guide to W-2*, *supra* note 15.

246. *Id.*

247. *Id.*

248. *Id.*

249. *W-2 is Big Business*, *supra* note 219.

250. *System or Society? Social Workers Debate Where to Place Blame*, *supra* note 228.

251. *The WCCF Rough Guide to W-2*, *supra* note 15.

252. *Id.*

253. *Id.*

participant is not ready to be placed in a Community Service Job.<sup>254</sup> A person in that situation will find herself/himself without any government support unless she/he is fortunate enough to obtain federal government assistance such as a disability benefit.

Those who do reach the Community Service Job (CSJ) tier are not likely to receive the services which could support further progress toward self-sufficiency.<sup>255</sup> CSJ participants are required to work, and in theory, are supposed to receive training in exchange for a monthly benefit of \$673 per month.<sup>256</sup> As stated earlier, these jobs are “supposed to be limited to projects that serve a useful public purpose, or generate revenue that offsets all or part of the cost of the project.”<sup>257</sup> In reality, many of these jobs are low-skill, dead-end positions.<sup>258</sup> Vicki Selkove, who researches local policy issues at the Institute for Wisconsin’s Future, says her research shows that W-2 participants who have been placed in community service jobs in order to earn money have not been well-prepared for future employment.<sup>259</sup>

We found that the majority of people who were in [CSJ] positions were doing make-work assignments. They were sorting hangars, they were packing boxes, they were pulling parts off assembly lines. . . . They were supposed to be doing real skill training and education to help improve their skill levels . . . [I]nstead, they were stuck in these make-work jobs, week after week, while their time clock ticked and time ran out for them.<sup>260</sup>

Skills training and education are vital for the long-term employment prospects of former welfare recipients, many of whom have not completed high school much less ever been gainfully employed.<sup>261</sup> These training and

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254. *Id.*

255. Online News Hour, *Wisconsin’s Welfare* (Dec. 29, 1999), available at [http://www.pbs.org/newshour/bb/welfare/july-dec99/welfare\\_12-29.html](http://www.pbs.org/newshour/bb/welfare/july-dec99/welfare_12-29.html) [hereinafter *Wisconsin’s Welfare*].

256. *Id.*

257. *The WCCF Rough Guide to W-2*, *supra* note 15.

258. *W-2 is Big Business*, *supra* note 219.

259. *Wisconsin’s Welfare*, *supra* note 255.

260. *Id.* Three out of four W-2 participants in Milwaukee County work within the CSJ and Transitional Placement (W-2T) job categories. *W-2 is Big Business*, *supra* note 219.

<sup>261</sup> Only 17 percent of W-2 participants in 1998 had earned either a high school diploma or its equivalent. Department of Workforce Development, *A Report by the Governor’s Wisconsin Works (W-2) Education and Training Committee: Building a Workforce for the Future, The Role of Education and Training in Wisconsin Works (W-2)* (June 1998), available at <http://www.dwd.state.wi.us/desw2/Govw2etc.htm>.



education initiatives are sorely lacking in Wisconsin's policy and surprisingly, government officials are not apologetic for this obvious gap in the plan. Ms. J. Jean Rogers downplays the need for such services and defends the adequacy of "low end" jobs: "[T]here is no such thing as a bad job. All jobs are good jobs. McDonald's is paying \$6.50 an hour to start."<sup>262</sup> Her boss, Governor Tommy Thompson put it a little differently: "[T]his is not a scholarship program."<sup>263</sup> Without job training and at a minimum, a high school diploma, these people are ending up in low-wage, low-skill employment.<sup>264</sup> Even more unsettling is the fact that as soon as a program participant accepts employment, even if it is minimum wage and/or part-time, they lose eligibility for assistance.<sup>265</sup>

## V. RECOMMENDATIONS FOR IMPROVEMENT

### A. *Sweden*

The Social Assistance Program would benefit from some specific administrative and structural changes to its system. The duplicated employment assistance functions that exist between the PES and the social service offices need to be eradicated. This can be accomplished by altering the priorities of the PES, i.e., allowing equal treatment to both individuals who are long-term unemployed and those who have recently left the job market. If anything, sound public policy necessitates that those who are on social assistance be given greater support in employment search activities than those who are on unemployment compensation. The latter group of individuals, who have held paying jobs more recently than those on social assistance, should have less difficulty taking advantage of new opportunities in the labor market. The PES must cooperate with local social service offices in setting goals and priorities. Cooperative management of employment programs is equally imperative.

The issue involving cost shifting between services that are funded at a local level to those that are provided by the central government will require a change in policy in the social service offices. The local offices, which fund and distribute social assistance, need to be retrained to place less of a priority on quick placement of recipients into employment to reduce local costs, and focus instead on interventions which are appropriate for the long-term self-sufficiency and well-being of each individual. It

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262. *The End of Welfare?*, *supra* note 217.

263. *W-2 is Big Business*, *supra* note 219. Governor Thompson was first elected in 1986. He served until January 2001, when he left his office to accept a position in the Cabinet of President George W. Bush as Secretary of Health and Human Services.

264. *Id.*

265. *Id.*

may be proper at some point to consider reevaluating the central government policy of allowing local control of cash social assistance. At this stage, however, where cost-shifting does not appear to be widespread, such radical change is unnecessary.

Sweden must also attempt to reduce the institutional complexity which now exists in its social welfare policy-making and delivery system. Each of the agencies involved<sup>266</sup> needs to be tied to a central body which can deliver operational objectives and goals. With so many organizations involved in the system, accountability for final outcomes is lacking.<sup>267</sup> The multi-agency planning which has been introduced in Rinkeby in Stockholm<sup>268</sup> must become mandated countrywide. The Swedish government should also consider simplifying its institutional structures, possibly consolidating several of the agencies or removing some if found unnecessary.<sup>269</sup>

The variations in determinations of eligibility for benefits at the local level must also be addressed. Social worker discretion in the municipality offices should be curtailed. More stringent guidelines must be given to these workers so that the differences between offices in deciding whether to grant social assistance are reduced. This may require a directive from the central government, however, to which the local offices might not be receptive. Up until this point, the municipalities have been given almost exclusive control over the distribution of social assistance funds.

### B. Wisconsin

W-2 has been a disaster. More poor families than ever before are facing homelessness<sup>270</sup> and hunger.<sup>271</sup> The number of former welfare families that have been forced to abandon their children is even more astounding—at least 5% based on numbers released by state officials.<sup>272</sup>

Is this what Wisconsin envisioned for its most vulnerable residents? According to Governor Thompson, the answer is yes. “[N]o state epitomizes the success of American welfare reform more than my own state of Wisconsin . . . [It] is a model for the nation to follow.”<sup>273</sup> The

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266. See discussion *infra* Part IV.A.3.

267. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 111.

268. *Id.*

269. *Id.*

270. *Living in the Intersection*, *supra* note 106.

271. DeParle, *supra* note 212.

272. *Id.*

273. *The End of Welfare?*, *supra* note 217.

Governor's statement epitomizes the political whitewashing of a failed system.

Poverty *can* be addressed in a way that emphasizes work but does not create unnecessary hardships for poor families and their children. Sweden has demonstrated success with its program which incorporates incentives for independence along with support allotments that assist the process. Wisconsin's W-2, however, does not have a structure in place which supports those same checks and balances.

The lack of housing assistance and adequate childcare needs to be addressed first. Emergency assistance must be available to those facing evictions, as well as to those who are already homeless. Childcare provisions must also be readdressed and expanded. Daycare, if made more affordable and accessible, would ensure a greater success rate in the workforce.<sup>274</sup> The system as it presently exists does not encourage long-term employment and self-sufficiency, which is precisely what it propounds to do.

Wisconsin also needs to overhaul its approach to education and training opportunities. Those who lack basic skills and high school degrees must be allowed to concentrate on acquiring those skills and obtaining degrees before being forced off the welfare rolls.<sup>275</sup> Post-secondary training should also be allowed where it is likely to lead to improved employment opportunities.<sup>276</sup> The work requirement could remain in place as participants further their education and skill levels. This, however, is unlikely to happen in the near future.<sup>277</sup>

W-2 should also improve transportation support to low-income families, by increasing the availability of public transportation and providing allowances for transportation costs.<sup>278</sup>

Probably most important of all is the need for W-2 to adequately address the social issues which face each of these families. By not focusing on these problems, i.e., alcoholism, emotional disturbances, or physical disabilities, the system is ignoring the problems that compelled many participants to initially apply for assistance.

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274. See Wisconsin Council on Children and Families, *W-2 Watch: Can We Help Families Succeed?*, available at <http://wccf.org/W2Watch.html> (last visited Sept. 8, 2000) [hereinafter *W-2 Watch: Can We Help Families Succeed?*].

275. *Id.*

276. *Id.*

277. Governor Thompson vetoed a provision in the 1999-2001 budget that would have allowed W-2 clients to get work credit for attending technical colleges. Frank Schultz, *Children are Among Homeless*, THE JANESVILLE GAZETTE, DEC. 19, 1999, 1A.

278. *W-2 Watch: Can We Help Families Succeed?*, *supra* note 274.

## VI. CONCLUSION

“The main aims of social assistance policies are . . . to prevent extreme hardship among those with no other resources . . . [while] minimi[z]ing any disincentives to paid employment [and] promoti[ng] . . . independence and individual responsibility.”<sup>279</sup> Sweden has more than met this goal of finding a balance between extending a decent minimum standard of living and maintaining the incentive to work. Although program and cash benefits are high, there is a high level of workforce participation and an adequate lifestyle enjoyed by all of its citizens.

The Swedish government has implemented comprehensive programs designed to accomplish this end. Foremost is the generous social assistance benefit, which is provided to Swedish families in need, coupled with the criteria that each able-bodied individual seek employment or training. The availability of social workers, who provide counseling and/or offer treatment for substance abuse or other social issues which impede employment, further enhances the effectiveness of the program. Also significant are the child allowances and childcare benefits offered to all Swedish citizens regardless of income. The housing benefits which are offered to poor families with children, and the relocation grants also allow individuals to obtain adequate housing located in proximity to employment or employment opportunities.

The numerous job training programs and educational grants probably contribute most to Sweden’s ability to avoid poverty among its citizens. With the focus on the long-term well-being of families, as opposed to the short-term goal of immediate employment of these individuals, the Swedish government reduces the chance that families will return to social assistance after employment has been secured. This offers the best opportunity for a future which allows an increasingly higher standard of living.

In Wisconsin, however, the extended future of families removed from the welfare rolls has apparently been given no consideration at all. By the state government’s own admission, the criterion for measuring the success of W-2 is the reduction of the caseload. The so-called work and training programs which are included in W-2, seem to be nothing more than an afterthought. If the main goals of social assistance programs are to prevent extreme hardship while preventing disincentives to paid employment and promoting independence, Wisconsin has failed miserably. The unprecedented problem with homelessness and hunger proves that W-2 is further

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279. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 9.

isolating poor families and excluding them from the mainstream instead of moving them out of poverty and into self-sufficiency.

In contrast to Wisconsin, which is increasingly dividing its population in terms of social welfare, Sweden is striving to “narrow the gaps between different groups in the community”<sup>280</sup> and endeavoring to attain equality for all of its citizens. Mr. Sven-Eric Liedman recently described this view during a speech to Sweden’s parliament:

We will not discard those things that made Sweden so successful in the 20<sup>th</sup> century. In a spirit of accord we were able to combine development and equality. We understood that development is the precondition for equality and that equality is the motive force for development . . . [L]et us agree [to] our vision - to grasp the dynamic opportunities for greater equality . . . For, it is in equality . . . that human beings grow . . . [It] nurture[s] our sense of solidarity and responsibility not just for ourselves and those closest to us but also for our fellow humans and coming generations.<sup>281</sup>

Wisconsin also has dynamic opportunities available to promote greater equality. However, rather than seizing those opportunities in this age of prosperity to improve living conditions for the poorest and the weakest in our society, the state of Wisconsin has instead opted to make their lives more difficult by prematurely severing their aid and forcing them into low-paying, dead-end jobs which offer no hope for integration into the community at large.

It is not suggested that Sweden’s extensive social welfare system, which is funded in large part by taxes, should be duplicated in Wisconsin. Wisconsin would not be able to support such a generous outlay of assistance without a dramatically revised budget that would allocate increased revenues for the program. Furthermore, the political climate now in existence in Wisconsin would not be receptive to such changes. Wisconsin, in fact, as illustrated in this comment, is reveling in its new image as the forerunner in welfare reform and is proud to renounce the reputation it once held as the welfare haven for anyone seeking assistance.

The diverse philosophical approaches to providing aid to people in need are obvious. Sweden has designed its Social Assistance Program around a benevolent, humanitarian focalization, which expends a large

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280. Regeringskansliet, Statement of Government Policy (1999), *available at* <http://www.regeringen.se>.

281. *Id.*

portion of government monies on social protection for its underprivileged citizens.<sup>282</sup> Wisconsin's program, on the other hand, appears to lack empathy for its low-income residents. Even as the accounts of families struggling to survive make their way back to the W-2 agencies, there has been no sympathetic response. In fact, there has been an apparent intentional disregard for their plight. One can only hope that the collective social conscience of the people of Wisconsin will demand change.

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282. As of 1992, Sweden was spending an astounding 18.19% of its Gross Domestic Product on social programs for the non-elderly. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *supra* note 3, at 20.

