The Idea Of Welfare Capitalism Policy

How do we provide worker's rights at the same time as we try to develop economically? There are no clear answers, and balances can be hard to find. Welfare and capitalism are usually two words that don't go together, and both words come loaded with meanings. Welfare capitalism, one of the possible solutions to worker's rights and economic development, is a leading idea. At a basic level, welfare capitalism is a business-favored policy that believes the private sector can provide social welfare programs more effectively than the federal government. Welfare capitalism is usually seen as the opposite of the welfare state. The welfare state involves heavy government regulation and labor unions providing social welfare policies.

Early Welfare Capitalism

As with modern capitalism, welfare capitalism began in the United Kingdom during the late 19th century at the height of the Industrial Revolution. Private sector employers needed programs that increased worker production through social welfare incentives. For example, in England company towns developed where employers provided housing and other benefits for their workers. Welfare capitalism was also the birth of employee pensions that encouraged workers to stay loyal to a company through retirement benefits.

World War II was a landmark event for welfare policies. As soldiers returned from years of brutal war, they demanded social welfare programs as compensation for their service. In Western Europe, social welfare programs became mandated at the state level, which included heavy labor unions, socialized medicine, and government pensions. These policies made the welfare state stronger in Europe as opposed to welfare capitalism, and the welfare state continues to dominate European economic policies today.

In the United States, however, welfare policies were more divided between the public and private sector, and they have often shifted as conservative and liberal politics battle back and forth. Here, the New Deal policies of President Franklin Deleanor Roosevelt enacted government social welfare policies, the most significant of which was social security. New Deal politics strengthened labor unions, which led to push backs by corporations for the ability to control the rights of workers.

The greatest weapon companies had to combat the welfare state and unions was the Red Scare. Conservative lawmakers and large businesses were able to dismantle unions by portraying them as communist groups who would undermine freedom, democracy, and open markets. As an alternative, companies promoted merit-based promotions, private retirement funds, and healthcare to boost production and worker welfare. The battle between government and union worker programs versus corporate welfare programs led to a lot of protest.

Welfare Capitalism and Globalization

After the Cold War, capitalism quickly spread as the dominant economic policy, which now controls global markets. As a result, different forms of welfare capitalism and welfare states have developed around the world. In Europe, for instance, many countries still pride themselves

on strong unions and federally mandated social welfare programs. In these areas, the welfare state is seen as a positive aspect of their national identities. With the recent economic recession of 2008, however, conservative European lawmakers and businesses have pushed for decreased federal welfare programs to help with increasing debts and to boost economic development.

In the United States, welfare capitalism continues to be mixed with federal welfare programs. A central issue is that different jobs can provide varying degrees of social benefits. Differential access to healthcare has been an ongoing issue in United States welfare capitalism. The 2010 passing of the Affordable Care Act has created controversy about whether social welfare programs are better provided by the state or the private sector. In other areas, welfare capitalism has been thriving. Companies such as Apple, Starbucks, and Google are famous for providing services like company-sponsored college tuition, high minimum wages, and private transportation to and from work.

As East Asia has emerged as a world power, they have contributed to a third type of welfare capitalism different to the European and American models. In general, Asian countries put social welfare policy below economic development in ranks of importance. This policy has undoubtedly led to the explosion of Asian economic prosperity in recent decades but has also led to debate about worker's rights. Leading countries, such as Japan, South Korea, and the People's Republic of China, and Singapore, provide healthcare, subsidized housing, and varying degrees of unemployment benefits.

One very interesting inclusion to East Asia welfare programs is the importance of the family. Families are seen as being responsible for social welfare but also receive benefits because of the belief that family maintenance is central to economic welfare. Therefore, rather than the typical private market-government regulation social welfare divide we see in Europe and the United States, Asian welfare capitalism is divided between private market-government regulation-family.

Conclusion

Welfare capitalism is a policy of private sector funded social programs for workers. Welfare capitalism policies often work against more socialist policies of the welfare state, characterized by government mandated social welfare programs. Welfare reforms began during the Industrial Revolution and increased during FDR's New Deal and after World War II, as workers fought for rights, though they were also met with resistance from pro-business capitals during the Red Scare. Welfare capitalism provided social programs to help worker's rights and also to increase worker production and economic development. Different forms of welfare capitalism can be encountered throughout the world because of different cultural practices, like those we see in East Asia, which include family regulation as an aspect of its welfare capitalism. As capitalism continues to spread throughout the world, welfare capitalism will continue to take on new identities and face constant challenges, like the 2010 Affordable Care Act passed in the United States.