

The background of the book cover is a complex, symmetrical, and repeating geometric pattern in shades of blue and white. The pattern consists of numerous thin, curved lines that radiate from a central point, creating a series of concentric, elongated shapes that resemble a stylized star or a series of interlocking arches. The overall effect is a dense, textured, and visually stimulating background.

Contemporary Social Welfare

Winifred Bell

CONTEMPORARY SOCIAL WELFARE

Winifred Bell

Cleveland State University

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To the memory of my parents,
Rupert Augustus Bell and Elizabeth Mary Bell,
for their sense of fair play, inquiring minds,
and good humor.

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PREFACE

This book has been written out of a deep and longstanding conviction that very stormy weather is ahead for social welfare unless both citizens and future social welfare professionals better understand its role and significance in modern societies and become better prepared to sort out the ideological, political, and economic issues that threaten to control its destiny. While a considerable hiatus has probably separated social welfare decision-makers from average citizens for years, since the early 1970s I have been certain that until the gap is bridged there can be no genuine, lasting social welfare reform.

Two experiences dramatized this for me. In the summer of 1968 I was urged to work with the Model Cities staff in Gary, Indiana, in designing the nation's first family allowance experiment. I was assured by Washington officials that the groundwork was all laid, that Gary residents and leaders were eager to launch the experiment as quickly as possible, and that my role was simply to commit their ideas to paper in the form of an approvable proposal. But during my first weeks in Gary I found only two people—a social work professor and a graduate student from the University of Chicago—who gave clear evidence of knowing what a family allowance was. Importantly-placed leaders did not even realize that what Washington had in mind was a three-year experiment, not a long-term program, and that if the schedule was kept the experiment would end just before the next mayoralty election. As for Gary's target area residents in that decade of "maximum feasible participation," they had not been consulted, had never heard of family allowances, and were outspokenly resentful of their "rubber stamp" role.

My decision to spend the summer educating the various interest groups so that they could make informed decisions was not well received in some Washington circles, although it later occasioned enthusiastic applause in others. But at least there was the satisfaction, two and a half months later, of realizing that not only local leaders but some target area residents, including a nice sprinkling of former and current AFDC* mothers, could probably surpass some professional

*Aid to Families with Dependent Children.

social workers in differentiating among income strategies and weighing the issues involved in choosing among them.

Then in the early 1970s the Nixon Administration tried to promote a negative income tax, and later Senator George McGovern proposed a yearly subsidy of \$1,000 for every American. And for several years, policy experts debated such esoteric matters as “notch” problems, “break-even points,” income disregards, marginal tax rates, refundable tax credits, boundary problems between positive and negative taxes, and work incentives that somehow boomeranged to become strong work disincentives, while average citizens wondered what on earth politicians were trying to sell them and why hard-working people would be expected to support even larger “giveaway” programs. The two parties, the policy-makers and the public, might as well have been on different planets for all the meaningful communication they achieved in those years.

Believing by then that citizen education was a mission of overriding importance for social work educators, I decided to shift from graduate to undergraduate teaching and from the liberal Northeast to a more conservative region. Cleveland State University, with an attractive undergraduate social services program and a course in contemporary social welfare that attracted thousands of students yearly, provided the opportunity I was seeking. But when I began teaching, I could find no textbook that met my needs. I was looking for a book that satisfied the following criteria:

- Because I felt a comparative approach held the greatest promise of expanding student horizons and developing a critical faculty, I wanted a text that would set American social welfare in international perspective, and then would compare contrasting theories, organizing principles, ideologies, social welfare strategies, financing methods, and impacts.
- Because social welfare issues are never decided in a vacuum, I wanted a text that would make connections between current issues and ideological, historical, economic, and political forces that inevitably determine the outcome at any given time.
- Because modern scholars are so aware of the dual functions of social welfare—control and assistance—and of the societal ambivalence that pervades public policy in this area, I wanted a text that would sensitize students to both manifest and latent consequences, would call attention to unanticipated consequences, and would possibly help them to cope better with their own ambivalence.
- Because many widespread misconceptions about poverty and social welfare provisions reflect the scarcity of sound, factual, systematic

public education in this highly politicized area, I wanted a text that would analyze at least major research findings and programs in reasonable depth. In the process, I believed a text should guide students to the best literature on the subject, whether in the domain of economics, political science, sociology, anthropology, demography, or social welfare.

- Because the cost of social welfare had become *the* issue by the late 1970s, I wanted a text that would directly discuss mushrooming social welfare costs, place them in realistic and comprehensible perspective, and deal explicitly with contrasting views on the subject.
- Because work is so central to life and the inability to find steady, decently paid jobs has such profound and lasting impact on personal well-being, family stability, and the cost of social welfare, I wanted a text that would highlight this problem and keep reform priorities in reasonable perspective, rather than focusing solely on more traditional social welfare or social work problems and programs. This is especially important because I believe that the harm done successive generations of youth by failing to provide enough jobs to go around is the single greatest tragedy and danger in the American scene. I also believe that all professions, but especially social work, must adapt their services to provide more and better help to the unemployed and underemployed.
- Finally, because so many Americans seem to believe that ending poverty is a hopeless mission, I wanted a text that proposed solutions but left the options open for readers to think about and discuss.

In this book I have attempted to meet these criteria. I believe that it is appropriate for introductory courses at both the undergraduate and graduate levels. This text is policy-oriented, not practice-oriented, and makes no pretence of covering the subject of contemporary social welfare exhaustively. In fact, concentrating on issues, societal context, and comparative analysis seemed more important than “covering the waterfront.” This book aims instead to instill systematic habits of analysis and inquiry, to increase the readers’ awareness of their own biases and misconceptions, and to train them to ground their analysis in hard facts or the best informed judgments available. This last point should be emphasized. My teaching experience has led me to believe that students are hungry for facts when facts are organized conceptually. Also, for the teacher, laying an analytic, theoretical, and factual foundation has the virtue of raising the level of classroom discourse above that usually achieved by relying on descriptive or anecdotal texts.

I am indebted to many people who have contributed directly or indirectly to this effort, including generous colleagues from my early days

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in social work to the present and a legion of fine scholars whom I have come to know personally or through their insightful writings. Many current colleagues and hundreds of students at Cleveland State University have read and commented on early drafts. A few deserve special acknowledgement, including Paul and Sonia Abels, Sarah Austin, William Barker, Richard Cloward, Marian Wright Edelman, Margaret Emery, Helen Ginsburg, Vicki Knight, Edward McKinney, Robert Morris, James Peterson, Sam Richmond, Dorothy Thorne, and Borge Varmer. Finally, I wish to thank Ira Arlook, originally scheduled to co-author this book, whose commitment to the Ohio Public Interest Campaign eventually had to take precedence. He left a valuable legacy of ideas and information that eased my work on Chapter 5.

Shaker Heights, Ohio

WINIFRED BELL

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CHAPTER • 1

An Overview of Social Welfare

Social welfare is steeped in controversy and contradiction. People disagree about its goals, methods, and consequences. What some perceive as a bloated “welfare state,” others view as disgracefully inadequate compensation for continuing social and economic injustice. Programs that impress some citizens as reflections of the finest humanitarian values, others dismiss as cop-outs or thinly disguised agents of social control. Services that some groups believe hold promise of curing, restoring, and rehabilitating, others see as warehouses of misery, the graveyard of hope.

Endless contradictions within the social welfare system add fuel to the fire. Services to protect children from parental neglect all too often come to symbolize community neglect. Financial support is provided for some but not all poor households, and is rarely sufficient for any. While we claim to honor senior citizens, large numbers of them are consigned to nursing homes where even elementary physical care is wanting. We build huge housing complexes with little, if any, protection for life or limb. We tie many benefits to the willingness to work, but never provide enough jobs, let alone sufficient supportive services for working parents. We subscribe to democratic values but seldom permit service users to share in planning or evaluating service programs.

These contradictions are not unique to social welfare. Nor are they mere accidents or oversights inherited from a less logical past. They are predictable, patterned responses to the value conflicts in American soci-

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ety. Our social welfare system is blinded by the same hidden assumptions and influenced by the same conflicting ideologies that touch us every day of our lives. It is firmly grounded in our economic, political, and social context and can be understood only in that context.

The important question is: Should social welfare simply reflect or at best somewhat compensate for societal imperfections? Or does it have a responsibility for striving toward social justice and equity? If the former role is sufficient, the mere existence of a network of benefits and services, however inadequate, irrational, or maldistributed, may bring a sense of accomplishment. But if the latter is paramount, then social welfare must be judged against standards of equity and social justice and by its success in translating humanitarian values into living realities.

What Is Social Welfare?

One of the more frequently cited definitions of social welfare was developed by Elizabeth Wickenden (40) after she reviewed worldwide literature on the subject:

Social welfare includes those laws, programs, benefits, and services which assure or strengthen provisions for meeting social needs recognized as basic to the well-being of the population and the better functioning of the social order. (46)

This embraces a long list of income maintenance benefits and educational, developmental, medical, rehabilitative, urban renewal, housing, vocational, recreational, protective, and counseling services.

Social welfare programs provide direct services to individuals, groups, and neighborhoods. They serve people of all ages. They are organized by all levels of government and under voluntary auspices. They are administered by many federal, state, and local agencies. They include community-based and institutional services. Some are national and regional in scope; many are concentrated in large cities. Directly and indirectly, they affect every citizen in the nation.

Social Welfare Serves All Income Classes

Perhaps the most frequent misconception about social welfare is that it serves only the poor. Nothing could be further from the truth. Around the world, as nations grow in complexity, people have recognized that

collective efforts are necessary to satisfy social needs and to resolve social problems. In preindustrialized societies, the initial focus is often on public health measures and education. Income maintenance programs tend to appear early on the agenda, too (38). By 1979, 123 nations had social security systems to assure minimal income when workers retire, become disabled or die, while 34 had workers' compensation programs providing medical care and cash benefits for work-related illnesses or accidents. Seventy-five nations had short-term sickness and maternity insurance. Thirty-eight nations insured workers in the event of involuntary unemployment.

When provisions spread benefits over all income classes, they are known as *universal* programs. When they are designed solely for the poor they are called *selective* programs. Contrary to a widespread assumption, far more is spent worldwide and in the U.S. on universal measures than on programs limited to the poor. By the late 1970s, less than one fifth of public social welfare expenditures in the U.S. were for selective measures like Aid to Families with Dependent Children (AFDC, sometimes called ADC), Supplemental Security Income (SSI), food stamps, Medicaid, and public housing (25, 36). The other four fifths was spent on universal programs like public education, social insurances, veterans' benefits, and Medicare.

Whether about four fifths for universal programs and one fifth for selective programs constitutes a reasonable balance in the U.S. will probably be debated for years to come. But the overriding point is that knowing this ratio helps to make clear that so-called "welfare" programs—the collection of selective measures designed solely for poor people—can scarcely be held responsible for "bankrupting" the nation. We are investing four times as much in programs that extend across all income classes.

The Evolution of Modern Social Welfare Systems

In western, industrialized nations, the impetus for modern social welfare programs came from reformers who were appalled at the personal and social cost of industrialization and urbanization (1, 43). The subservience of men to machines, the exploitation of women and children, the disease-ridden, overcrowded slums, the breakdown in social controls in the wake of urbanization all set fire to reform movements that swept over northern Europe, England, and the U.S. in the late nineteenth and early twentieth centuries (6, 12, 29). Liberals who dominated these efforts often began with unbounded faith that once leaders became aware of the enormous loss of human potential and the deg-

radations of poverty, the essential rationality of man would assure a better world and reasonable constraints on greed.

Few early reformers were egalitarians (18). Nor were they persuaded that all poor people could be salvaged (10). Whenever they surveyed the slums, however, they found striving, promising, "worthy" families who they felt deserved help (4). Reformers saw their task as twofold: to secure new laws to end the worst forms of exploitation and to try with encouragement and advice to assuage the harshness of life for the "worthy poor." In the early twentieth century in the U.S., reform efforts resulted in child labor laws, shorter work days for women and youth, and scattered Mothers' Pension programs for carefully selected fatherless families (2). Unfortunately, however helpful such measures were to some groups, they did little to improve conditions for most poor families.

This reform movement coincided with another more promising development: the growth of trade unions, determined to secure better work conditions and higher wages (7). As this effort blazed the way for modern social security systems, a new anti-poverty approach was set in motion. In the nineteenth century, most leaders of society were convinced that poverty was a sign of personal weakness. The trade unions and socialists refused to buy that idea, and they launched a series of investigations to learn exactly why hard-working people were so often poor (26). Soon facts were collected pointing to external circumstances over which workers had little if any control. Of these, miserly wages, work accidents and illnesses, forced retirement, and the death of wage earners were the most compelling (44). Later, when labor scholars and labor leaders became convinced that industry and business could stabilize production rather than practice wholesale, uncontrolled hiring and firing, involuntary unemployment was added to the list of culprits. With this new definition of the situation, preventive measures like old age pensions, minimum wages, unemployment insurance, and workers' compensation for industrial accidents and illness became favored solutions.

In most western industrialized countries, around World War II these various reform movements joined hands, as trade unions (or Labor Parties) and liberals collaborated in efforts to extend benefits to *all* citizens who experienced any of the common, predictable risks of poverty. The resulting national policies set an income floor below everyone. In the process, periods were identified when people should not work (e.g., around the birth of a baby, during school years, old age, or severe illness or disability), and cash allowances were made available to encourage and enable them to stop working. They equalized the distribution of medical services and socialized their cost (5, 35). They made heavy

government commitments to assure better and reasonably priced housing for low-income families and to rebuild cities devastated by war (11, 17), and to a great extent they eliminated the financial barriers to higher education (31, 32).

In the U.S. the liberal reform movement and the trade unions rarely joined forces in behalf of the entire population, although they often united to press for measures to protect members of the labor force from poverty. Achieving even this limited goal has been an uphill struggle (22). Far more often than in other western nations, economic goals took precedence over social goals, and reform proposals were set aside because of possible adverse effects on profits or price stability. Even the idea that economic development might depend on social development or go hand in hand with it was often interpreted as an unpatriotic attack on the free enterprise system or simply as the loose and irresponsible talk of visionaries. Over the years there has been enough citizen pressure to push the U.S. toward better income protection and more community services, but there are still egregious gaps and inadequacies. As Wilensky (47) observes, "We move toward the welfare state, but we do it with ill grace, carping and complaining all the way."

Three Cornerstones of Social Welfare in Other Developed Nations

The U.S. social welfare system is known as a *risk-by-risk approach* as distinguished from the comprehensive *cradle-to-grave* programs in other industrialized nations. Our system has grown by fits and starts so that the parts are often not logically related to one another, and gaps abound. Also, some programs and policies regarded as vital underpinning elsewhere are entirely lacking here.

1. *National Health Care.* Other industrialized nations provide two types of sickness benefits: (a) cash benefits during periods of illness that prevent work, and (b) medical, dental, and hospital services for all residents or citizens. Where coverage is not compulsory, most people enroll voluntarily. In the United Kingdom and the U.S.S.R., even tourists qualify for medical care coverage.*

Systems of health care are financed in several ways. The most common sources are general government revenues, employee and employer

*As an example of the rates of coverage for comprehensive health care in other countries, all Swedes, Norwegians, Danes, Czechoslovakians, New Zealanders, and Japanese were covered in 1975, as were 98 per cent of French and Canadian citizens and over 90 per cent of the residents of Israel, Ireland, and Australia (38, 39). By way of contrast, only about one third of adults between 20 and 64 years of age in the U.S. had comprehensive coverage.

insurance premiums, and a combination of the two. Users must often meet modest out-of-pocket expenses, an arrangement intended to discourage frivolous demands on the system. In some nations services are organized under government auspices. Others rely on national or decentralized insurance schemes with government supervision of the organization and delivery of services. The important point is that the cost is socialized so that no family has the exorbitant expense of serious or prolonged illness or injury, and no one has to go without medical care for financial reasons alone (37); Senator Kennedy (19) amply documents this predicament of many American families. When nations invest in universal health care systems, they also tend to shift attention from treating sickness to maintaining good health.

2. *Family Allowances.* Over 65 nations pay allowances in behalf of some or all children. Programs of this nature began in the late eighteenth century, but most national programs were not enacted until around World War II. There are two types of systems. One provides allowances to all resident families with a specified number of children. The other covers only children of employed and sometimes those of self-employed workers. Usually allowances are paid from birth through compulsory school age (which is tending to rise in European nations). Their size varies with the major purpose. When they are intended to stimulate birth rates, they are usually more generous than when the goal is to reduce the income deficit of families with children so that they will be on a more nearly equal financial footing with childless couples. But even when allowances are reinforced by measures such as maternity benefits, housing allowances for new parents, and extensive child day care, they have still not succeeded in affecting birth rates. In 1976 these were consistently lower in Europe than in the U.S. (34, 41, 45).

Some nations tax such allowances, thereby recovering part of the cost from well-off families. When conservative tides rose during the 1970s in some European nations, policy-makers searched for less expensive alternatives, but the programs still enjoy wide popularity (38). One of their virtues is the very low administrative cost. No other income maintenance scheme yet devised equals their record in this regard.*

3. *Full Employment Policies.* As European nations adopted comprehensive social welfare programs, they also made a commitment to maintain full employment. In doing so, they reflected a conviction that everyone should have the right and opportunity to work. Productive work was not only important to the nation, it was held, but it gives

*The low administrative cost is due to the ease of confirming eligibility, which simply requires proof of birth, age, and address usually, and the fact that standard allowances are paid.

meaning to life, and so whether jobs were available could not be left to the vagaries of business cycles, corporate mobility, trade unions, or styles of architecture (which in the U.S. prevent some handicapped adults from working). Accordingly, governments accepted responsibility for assuring sufficient jobs and necessary manpower training programs, and far more often than in the U.S. it was expected that the workplace would be adapted to workers rather than forcing workers to adapt to the workplace. In moving toward full employment, nations recognized, too, that it would both reduce the cost of new social welfare programs and generate the tax revenues necessary to support them.

Nowhere is the difference in values between other industrialized nations and the U.S. more striking than around the issue of full employment. In the U.S. the work ethic is much lauded. Yet few practical steps are taken to assure sufficient jobs for all people who wish to work. Nor are economic policies avoided because they will throw millions of workers out of jobs. After the worldwide recession of the 1970s finally jeopardized efforts to sustain full employment, there were still proportionately fewer unemployed workers in Europe than in the U.S. Thus, in 1975, when 8.5 per cent of our labor force was out of work, in Great Britain the percentage of unemployed was 4.7, in France 5.3, in West Germany 3.8, in Italy 3.7, in Sweden 1.6. Since 1918 ours has never been below 1.9 except for one year during World War II, but in Sweden a still lower rate threatened to precipitate a national crisis.*

As Ginsburg (13) has pointed out, since World War II the U.S. economy has never provided sufficient jobs to keep pace with the growth in population and the rising number of women seeking paid work. When recessions occur, the new decrease in jobs simply piles on top of the normal job shortage. Furthermore, the way unemployment is measured in the U.S. often misleads citizens about the gravity of the problem, primarily because official rates only include people actively seeking work. In 1973 Lekachman (20) estimated that the rate would double if "account were taken of the disheartened men and women who had stopped searching for nonexistent jobs, underemployed persons, and individuals compelled to operate below their skill level." By 1982, the AFL-CIO estimated that if discouraged would-be workers and those forced into part-time work due to the absence of full-time jobs were added to the official unemployment count, unemployment rates in the U.S. would rise from 9.9 per cent to 16 per cent.

*By 1980, unemployment rates adjusted to coincide with U.S. concepts rose in some countries and fell in the U.S., where the percentage was 7.1 for the year. It was 7.4 in Great Britain, 6.5 in France, 3.9 in Italy, 3.0 in West Germany, 2.0 in Japan, and 2.0 in Sweden. (28)

Social Welfare as a Response to Social Needs, not Social Problems

Wickenden refers to social welfare as a response to social needs, not social problems. What is the significance of this distinction? It reminds us that over the world people share many social needs, and that ideally social welfare's business is to make certain that they are satisfied promptly for all citizens. A decent income, housing, education, health care, personal safety, and the ability to participate in community affairs are among the most basic needs. To assure effective, equitable, and updated services requires orderly planning mechanisms, good social accounting, prompt feedback, and close coordination of economic and social policies (49). But some or all of these ingredients are often missing in the U.S. One reason is that many Americans still regard social planning as something that communist or socialist nations indulge in and as totally irrelevant in a free enterprise system (16). The result is that not even Congress centralizes responsibility in the social arena. Nor is there a Council of Social Advisors to balance the Council of Economic Advisors, and the latter rarely consults with social welfare experts even though everyone knows that economic policy often has grave and sometimes catastrophic social consequences.

Typically, the American way is to postpone action until there is consensus that a critical social problem exists. The process by which an accumulation of unmet needs becomes defined as a social problem that suddenly requires large-scale intervention is often obscure until well after millions of dollars have gone down the drain without solving the problem. One difficulty is that social problems are inherently so complex that people often perceive them very differently, depending on their relationship to the situation and their own self-interests; what is one group's problem may be another's solution. Unless all relevant groups confront each other from the outset and join in a search for solutions, this divergence may not surface for years. In European nations, ubiquitous trade unions are heavily involved in citizen education and assure lively participation in public affairs. But in the U.S., what with the dearth of social planning mechanisms, an increasing concentration of economic and political power, declining union membership, voter apathy, and the habit of professionals to regard themselves as problem-solving experts, average citizens—let alone families victimized by so-called social problems—rarely get a hearing. If they do, there is no assurance that their perception of what is needed will influence program or funding decisions. This helps to explain why after billions