

POVERTY—— IN ——AMERICA

The Welfare Dilemma

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Ralph Segalman

Asoke Basu

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PREFACE

Two different principles—equality of opportunity and delivered equality—define the crucial issue in the debate over America's social welfare proposals for alleviating poverty. Historically, equality of opportunity has meant that a democratic society is obligated to provide equal access to jobs, education, services, and, finally, improved life conditions. The tasks and duties of such an egalitarian society are to make a set of choices available to all. Viewed in this way, poverty is not a structural aberration. Welfare policies are therefore directed toward attracting the individual/family upward from poverty and toward putting success within reach of anyone who seeks it. The viability of these policies requires that equal opportunity be made genuinely available to all.

The principle of delivered equality maintains that within the democratic order equality is a right and not an opportunity. Accordingly, society must provide every person with quality jobs, education, services, and comfortable life conditions.

The first position, equality of opportunity, assumes that each individual possesses free will. Given the appropriate availability of choices, then, man has the learned capacity to make critical decisions about his life at present and in the future. The democratic order can therefore provide only choices; in the final analysis, the willing, thinking person must choose and thus act.

The second position, delivered equality, is clearly deterministic for its premise is that man is shaped by factors beyond the individual's control. The current rhetoric emphasizes that man has become a mere object or, at best, an underclass citizen whose movements are controlled by forces beyond self. Thus, the state must ultimately be the dispenser of provisions.

In this book, we contend that social welfare policies based on the premise of delivered equality negates the norm of reciprocity under which each person is expected to supply a quid for each quo consumed. This position has become a self-fulfilling prophecy for those it claims to benefit because it frequently leads to the conclusion that man is indeed a victim.

The advocates of this position have created an atmosphere of failure for many who might otherwise have succeeded had they been stimulated to try. By its continued existence, the poverty population serves the interests of the delivered equality proponents by providing a *raison d'être* for their position. Thus, the proponents may be viewed, in part, as perpetuators of the poverty syndrome. The diagnosis perpetuates the disease to the benefit of the physician.

We must be aware of the implications and effects of such an advocacy on the client as person and on the society as provider and supporter. One pressing danger is that a social policy for the poor might evolve which, instead of providing for equality of choice, fosters a life-long delivered dependency that could seriously erode the democratic order.

In this work, we comprehensively explore the contours of social welfare and poverty in America. The opening chapter examines the definitions of poverty, its roots and social consequences. The second chapter traces the history of poor law—practices that originated in Britain and were adopted by the early settlers in America. Our purpose here is to pursue value transformations in the meaning of poverty over the past two centuries. Chapter 3 presents various types of programs of public assistance and social insurance in practice in America. Welfare legislation debated by the Ninety-fifth Congress (1978) has been incorporated. Chapter 4 deals with alternative social interventions against poverty. It discusses the increasing numbers on the welfare rolls and the costs of the Aid to Families with Dependent Children program. In addition, it underscores both the social basis and the social consequences of developing transgenerational poverty. Chapter 5 further explores some of the current income maintenance proposals, including the Carter welfare proposal and other alternatives. Chapter 6 articulates assumptions about medical services for the poor and outlines the Ninety-fifth Congress's proposals on national health insurance. Chapter 7 examines another key program—housing assistance for the poor. The literature on poverty and welfare has devoted very little space to employment and its concomitant relationship to educational programs and socioeconomic mobility. In postindustrial America, the amelioration of poverty depends on joining employment with educational experience. It is of primary importance that this relationship be understood, if we are to affirm and actualize a social structure based on achieved status. Chapter 8 and the postscript examine programs and policy alternatives in the light of this principle. (An earlier version of portions of the postscript was presented by Asoke Basu at the annual meeting of the Society for the Study of Social Problems in 1975.)

Finally, we attempt to demythologize the welfare rhetoric. Our fundamental assumption is that national resources are finite and that any policy governing poverty programs increasingly has to take the economic condi-

tions (both from the public and client viewpoint) into account. Throughout our exploration, we have been influenced by the dictum of Auguste Comte—"Our analysis of the seen must be geared to the foreseeable."

In many ways, this book has been a labor of collegiality. The principal author has benefited immensely from students' comments on an earlier draft. The California state universities at Hayward and Northridge have provided encouraging colleagues, students, library resources, and, however little, financial assistance to support this venture. To our institutions, we owe continuing gratitude. We specifically wish to thank Nathan Glazer, Alfred Himelson, Norman Jackman, S. M. Lipset, and Albert Pierce, as well as Professor Don Martindale, series editor, and Dr. James T. Sabin, editorial vice-president of Greenwood Press, for their helpful guidance. Finally, we express appreciation to Ruth Ancheta and James Scaminaci III for their research assistance and to Randy Keith for his work in typing the final manuscript.

PROGRAMS AND BILLS

Aid to the Blind (AB)

Aid to Families With Dependent Children (AFDC)
[AFDC-U=Unemployed Father]

Aid to the Totally Disabled (ATD)

American Conservative Union (ACU)

Basic Educational Opportunity Grant (BEOG)

Better Jobs and Income Program (BJIP)

Charity Organization movement

Charity Organization Society (COS)

Chicago Housing Authority (CHA)

Child Saving movement

Civil Works Agency (CWA)

Comprehensive Employment and Training Act (CETA)

Elizabethan Poor Law

Emergency Employment Program (EEP)

Family Assistance Plan proposal

Farmers Home Administration

Federal Emergency Relief Act

Federal Home Loan Bank

Federal Housing Administration (FHA)

Federal National Mortgage Association

Food Stamp program

General Accounting Office (GAO)

General Assistance (GA)

Government National Mortgage Association (GNMA)

Health Maintenance Organization (HMO)

Health Services Agency (HSA)

Home Owners Loan Corporation (HOLC)
Housing Act of 1937
Housing Act of 1949
Housing Assistance Administration
Housing and Urban Development Act
Lanham Act of 1940
Law of Charitable Trusts
Law of Settlement and Removal
Medical Poor Law
Missionary Tract Society
National Home Mortgage Insurance (NHMI)
National Housing Act
National Industrial Recovery Act (NIRA)
National Insurance Act of 1911
New York Associates for Improving the Conditions of the
 Poor (NYAIP)
Nixon Family Assistance Plan
Old Age, Survivors and Disabled Insurance (OASDI)
Old Age Assistance (OAA)
Professional Standards Review Organization (PSRO)
Public Employee Benefit Program
Public Housing Administration (PHA)
Reconstruction Finance Corporation
Settlement house movement
State Vocational Rehabilitation Agency (SVRA)
Sunday School Society
Supplementary Security Income Program (SSI)
U.S. Department of Health, Education, and Welfare (HEW)
U.S. Department of Housing and Urban Development (HUD)
Widows, Orphans, and Old Age
Work Incentive program (WIN)
Works Progress Administration (WPA)

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HOULT (p. 245) defines poverty as (1) “a scarcity of the means of subsistence” and (2) “a level of living that is below a particular minimum standard.” The Theodorsons (p. 307) define it as “a standard of living that lasts long enough to undermine the health, morale and self-respect of an individual or group of individuals. The term is relative to the general standard of living in society, the distribution of wealth, the status system and social expectations.” If Hoults definition is accepted, it becomes a fiscal exercise to determine who is poor. In his exploratory exercise *The Measurement of Poverty*, Watts provides one of many such economic conceptualizations of the condition. The Theodorsons’ definition describes relative deprivation or affluence. In order to identify poverty, they say it is necessary to compare the subjects’ wants—or needs—with those of nonpoverty population sectors (also see Theobald).

Milner’s work makes it clear that inequality is an inevitable condition in an “equalitarian but striving” society (1972a). In such a society, everyone is given a chance to get ahead. Few people realize the corollary to this notion, which is that everyone has the opportunity to be gotten ahead of. In Milner’s view, status insecurity is a necessary part of any society which affords both significant inequality and equal opportunity. In such a situation, a person’s only defense is to stay ahead: “If others raise their income or education you must raise yours. If others get a new car, you must buy a bigger one” (1972b, p. 20). Milner terms this situation status inflation, which he states occurs “when there is a decrease in the social value attributed to a given level of absolute income.” Thus, equality of opportunity, status insecurity, and status seeking combine to produce status inflation. Milner asserts that there is a paradoxical conflict between the belief that rights and respect are everyone’s equal due, and the belief that there is virtue in individual achievement and that a person’s rewards should closely correspond to his achievements. Thus, Milner portrays “equalitarian competition” as an unending relay race. “Whether you will be ahead when you finish your lap is strongly influenced by how far ahead