

Why the War on Poverty Failed

by James L. Payne

Well, it's now official: the war on poverty was a costly, tragic mistake. Ordinary people have suspected that for decades, of course, but we had to wait for the *New York Times* to decide this news was fit to print—which it finally did on February 9, 1998. In a front-page story on poverty in rural Kentucky, Michael Janofsky detailed the failure of this effort in the one region that was supposed to be the centerpiece of reform. “Federal and state agencies have plowed billions of dollars into Appalachia,” he wrote, yet the area “looks much as it did 30 years ago, when President Lyndon B. Johnson declared a war on poverty, taking special aim at the rural decay.”¹

Janofsky visited Owsley County, Kentucky, and found a poverty rate of over 46 percent, with over half the adults illiterate and half unemployed. “Feelings of hopelessness have become so deeply entrenched,” he reported, “that many residents have long forsaken any expectation of bettering themselves.” For years, the government has been trying to treat the despair with welfare programs: two-thirds of the inhabitants receive federal assistance, including food stamps, AFDC, and SSI disability payments. This, it now appears, is part of the area’s problems.

“The war on poverty was the worst thing that ever happened to Appalachia,” Janofsky

quotes one resident as saying. “It gave people a way to get by without having to do any work.” Local officials told him that “many parents urge their children to try to go to special education classes at school as a way to prove they are eligible for [SSI] disability benefits.” (The senior class at the local high school picked as its motto, “I came, I slept, I graduated.”)

Why did the war on poverty fail? What was wrong with the programs under which the nation spent over \$5 trillion attempting to solve the problems of the poor, only to come up empty? It’s an important question to ask in these days of welfare reform. The first step toward a sound policy ought to be to identify the errors of the past.

Perhaps the best way to answer the question is to take a close look at the book that inspired the war on poverty, Michael Harrington’s *The Other America*, published in 1962. (Harrington died in 1989.) Possibly the most influential policy book in history, *The Other America* was cited again and again by the politicians, activists, and administrators who set up welfare programs in the 1960s. In it we find the fallacies that sent reformers down dark and tangled paths into today’s social tragedies.

Curing Poverty Through Algebra

Though social workers and welfare administrators embraced Harrington’s account, neither he nor they realized how distinctive, even

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bizarre, was the theory of poverty that it contained. Harrington's premise was that poverty is a purely economic problem: the needy simply lack the material resources to lead productive, happy lives. Supply these resources, the theory runs, and you will have solved the problem of poverty. "The means are at hand," declared Harrington, "to fulfill the age-old dream: poverty can now be abolished."² This theme was repeated up and down the welfare establishment. Sargent Shriver, the administration's leading anti-poverty warrior, told Congress that the nation had "both the resources and the know-how to eliminate grinding poverty in the United States." President Lyndon Johnson echoed the claim. "For the first time in our history," he declared, "it is possible to conquer poverty."

To most people, these claims seemed incredibly naïve. While the state of neediness we call poverty does involve a lack of material resources, it also involves a mass of psychological and moral problems, including weak motivation, lack of trust in others, ignorance, irresponsibility, self-destructiveness, short-sightedness, alcoholism, drug addiction, promiscuity, and violence. To say that all these behavioral and psychological problems can be "abolished" seems a denial of the common-sense Biblical teaching that the poor will always be with us.

Abolishing poverty did not seem far-fetched to the activists, however. Indeed, one book from that era boldly challenged the Biblical wisdom with its title: *The Poor Ye Need Not Have With You*. This 1970 volume was written by Robert Levine, who had served in the Office of Economic Opportunity, the federal government's anti-poverty agency. His book was also supported by the Ford Foundation and the Urban Institute, two principal backers of the war on poverty. Levine adhered to the simple materialistic view of poverty. "Even a quick look can convince us that poverty as it is currently defined in the United States is a completely solvable problem," he wrote. "If we were to provide every last poor family and individual in the United States with enough income to bring them above the level of poverty, the required outlay would be less than \$10 billion a year."³ In this perspec-

tive, curing poverty was simple algebra: add government's x dollars to the poor's y dollars and the result would be the end to poverty.

It was a perspective that led to intolerance. Since poverty was so simple to remedy—the activists reasoned—it was unethical not to act. "In a nation with a technology that could provide every citizen with a decent life," Harrington thundered, "it is an outrage and a scandal that there should be such social misery."⁴ For the activists, welfare programs did not involve complex relationships and intractable problems about which honest people could disagree. They were simple moral imperatives, and anyone who opposed them was seen as selfish and insensitive. (This dogmatic view has by no means disappeared from so-called liberal circles.)

The Ideology of Handouts

The simple economic theory of poverty led to a single underlying principle for welfare programs. Since the needy just lacked goods and services to become productive members of the community, it followed that all you had to do was give them these things. You didn't have to see that they stopped engaging in the behavior that plunged them into neediness. You didn't have to ask them to apply themselves, or to work, or to save, or to stop using drugs, or to stop having babies they couldn't support, or to make any other kind of effort to improve themselves. In other words, the welfare programs the war-on-poverty activists designed embodied something-for-nothing giving, or what we usually call "handouts."

The handout feature characterized not only the programs that gave away cash and material resources like food and housing; it was also incorporated in programs that provided training, education, and rehabilitation. Recipients did not have to make any significant sacrifice to be admitted to them, and they did not have to make any significant effort to stay in them. Swept up by the rhetoric of the day, program organizers simply assumed that all that recipients needed was "opportunity," especially the opportunity to learn a trade and to get a job.

Alas, this was mainly untrue. One of the first things the needy lack is motivation; that

is, they lack the ability to sacrifice and to discipline themselves, to defer present gratification for future benefit. Most of the recipients in the anti-poverty training and education programs were poorly motivated, and their lack of commitment meant that they couldn't make good use of the opportunities put before them. Worse, they dragged down the morale of teachers and those recipients prepared to apply themselves. What were administrators to do? If they required a strong commitment to the task of self-improvement, this would mean turning away most of the applicants—and watching their welfare empires collapse. Not surprisingly, officials were inclined to relax standards and let education and training programs become giveaways.

For example, in the early 1980s, the Manpower Development Research Corporation (MDRC) ran a number of "supported work" programs for disadvantaged youths financed by the federal government. The aim, as an MDRC vice-president told a Senate subcommittee, was a program "for instilling positive work habits and attitudes."⁵ To implement this goal, attendance standards were announced: no more than three unexcused absences or five unexcused latenesses in the first ten weeks of training class. Reporter Ken Auletta attended one of these courses in New York City and discovered that even these modest rules were not being applied. Students were allowed to come and go as they wished, even to sleep or read the newspaper in class.⁶ The trainer in charge explained that if the rules were applied, "we'd lose just about everyone in the class."⁷ The overall effect of this indulgent approach in job training programs has been to "train" participants in irresponsibility: they learn that the world will keep rewarding them even when they don't live up to their obligations.

Head Start is another case where the giveaway approach has undermined the effectiveness of the program. The original idea behind Head Start was to give poverty-level preschoolers social and educational enrichment that would help them succeed in school. Since the children are in class only a few hours a week, it is vital that anything learned be reinforced at home by parents. That means,

as Head Start's own promoters insist, that parent participation is crucial to the success of early intervention.⁸ Logically, then, parental involvement should be required as a condition of the program. Unfortunately, the idea of a requirement goes against the agency's handout principle. "Head Start cannot threaten to dismiss a child for non-performance of either parent or child," says one pamphlet extolling the program. "It can only offer to help."⁹

This indulgent approach has meant that most parents have no significant involvement with the Head Start program, and for them and their children it is little more than a babysitting service. In the Head Start office in Sandpoint, Idaho, I asked a teacher how often parents volunteered to be in the classroom with their children. "We'd *like* them to come in once a month," she replied. The emphasis she put on "*like*" indicated that she understood even this minuscule level of parental involvement was an unrealistic hope. I happened to see the roll and time sheet for one class: it showed that not one parent of the 18 children had volunteered in the entire month.

The Healthy Way to Give

In adopting the handout approach for their programs, the war-on-poverty activists failed to notice—or failed to care—that they were ignoring over a century of theory and experience in the social welfare field. Charity leaders of the nineteenth century had lived with the poor and had analyzed the effects of different kinds of aid. They discovered that almsgiving—that is, something for nothing—actually hurt the poor. First, it weakened them by undermining their motivation to improve themselves. If you kept giving a man food when he was hungry, you undermined his incentive to look for a way to feed himself. Second, handouts encouraged self-destructive vices by softening the natural penalties for irresponsible and socially harmful behavior. If you gave a man coal who had wasted his money on drink, you encouraged him to drink away next month's coal money, too. Finally, the nineteenth-century experts argued, handouts were self-defeating. People became

dependent on them, and new recipients were attracted to them. So this type of aid could never reduce the size of the needy population. With handouts, the more you gave, the more you had to give.

The correct way to help the needy, they said, was to expect something of recipients in return for what was given them. Instead of giving poor people what they needed, the charity leaders organized programs that enabled the needy to supply their own wants. They weren't given money, but were counseled to find employment; they weren't given apartments, but were rented, at cost, healthy dwellings managed by charities; they weren't given food, but learned to grow their own food at garden clubs developed for that purpose. The great English charity leader Octavia Hill, who worked all her life among the poor, summed up the nineteenth-century social workers' position on handouts: "I proclaim that I myself have no belief whatever in the poor being one atom richer or better for the alms that reach them, that they are very distinctly worse, and that I give literally no such alms myself."¹⁰

Failing in the Field

The war-on-poverty activists not only ignored the lessons of the past on the subject of handouts; they also ignored their own experience with the poor. The case of Harrington himself is especially revealing.

In the early 1950s Harrington worked at the St. Joseph's House of Hospitality, a shelter for the homeless in New York's Bowery district. The philosophy of the shelter was pure handout. Beds, food, and clothing were given out, as Harrington proudly reported, on a "first come, first served" basis. The shelter didn't require anything in return: not small amounts of money, not work, not any effort at self-improvement. In *The Other America* Harrington described at length the tragic lives of the alcoholics served by the shelter, the degradation, exposure, disease, theft, and violence that made up their lives. Yet he didn't report having any strategy to uplift them, and didn't report rehabilitating a single one. Though he became friendly with some of the street alco-

holics, he never saw his friendship as a platform for mentoring them, as a way of guiding them to recovery. He simply watched these suffering men go in and out of their drunks, and gave them handouts as they went along. Summarizing his experience, he concluded that alcoholic poverty was not an economic problem but "deeply a matter of personality." In a revealing aside, he added, "One hardly knows where to begin."¹¹

For someone so ready to hector others about how easily poverty could be "abolished," Harrington was astonishingly unreflective about his own performance. His failure as a social worker among the homeless never led him to question his handout approach, and his personal knowledge that poverty was *not* an economic problem never shook his ideological conviction that it was. The rest, as they say, is history. The man who "hardly knew where to begin" in treating the problems of poverty—and who failed when he tried—became the guru for a massive array of government handout programs that, as even the *New York Times* now concedes, only deepened the culture of poverty.

The Road Back to Common Sense

In the 1996 welfare reform, the nation began to undo the damage caused by the war on poverty's misguided approach. Most lawmakers finally grasped the point that handout programs are harmful and self-defeating. They began to see that welfare programs need requirements, that recipients have to be asked to take steps toward self-improvement and self-sufficiency.

It has not been easy to implement this concept, however. Lawmakers have yet to discover that government agencies are ill-suited to carry out the subtle task of personal uplift. This mission requires helpers who become personally involved in the lives of their clients. It requires that helpers be mentors who project healthy values. It also requires treating each client as an individual, subject to a different set of expectations and rewards. All this runs against the grain in government, where the pressures of law and regulation

push agencies toward behaving in an impersonal, value-free, and uniform manner. In the long run, this leads to handout programs, because handouts are impersonal, value-free, and uniform.

The nineteenth-century charity leaders were familiar with the drawbacks of government assistance. Mary Richmond, one of the founders of American social work, condemned public relief in no uncertain terms: "The most experienced charity workers regard it as a source of demoralization both to the poor and the charitable. No public agency can supply the devoted, friendly, and intensely personal relation so necessary in charity. It can supply the gift, but it cannot supply the giver, for the giver is a compulsory tax rate."¹²

The 1996 welfare reform was therefore just a first step in undoing the harmful anti-poverty policies of the 1960s. It did introduce the idea that handouts are wrong. But it missed the deeper point that, in the long run, government agencies aren't very good at any-

thing but handouts. It remains for future generations to lay the government programs entirely aside and to promote the personal, voluntary arrangements that make for truly effective social assistance. □

1. Michael Janofsky, "Pessimism Retains Grip on Region Shaped by War on Poverty," *New York Times*, February 9, 1998, p. A1.

2. Michael Harrington, *The Other America: Poverty in the United States* (New York: Macmillan, 1969 [1962]), p. 174.

3. Robert A. Levine, *The Poor Ye Need Not Have With You: Lessons from the War on Poverty* (Cambridge, Mass.: M.I.T. Press, 1970), p. 6.

4. Harrington, p. 17.

5. Quoted in Ken Auletta, *The Underclass* (New York: Random House, 1983), p. 23.

6. *Ibid.*, pp. 57, 120, 121, 122.

7. *Ibid.*, p. 65.

8. Edward Zigler, Sally J. Styfco, and Elizabeth Gilman, "The National Head Start Program for Disadvantaged Preschoolers," in Zigler and Styfco, eds., *Head Start and Beyond: A National Plan for Extended Childhood Intervention* (New Haven: Yale University Press, 1993), p. 4.

9. Tim Nolan, *What Really Makes Head Start Work?* (Milwaukee: Institute for Innovation in Human Services, 1991), p. 8.

10. Octavia Hill, *The Befriending Leader: Social Assistance without Dependency*, ed. James L. Payne (Sandpoint, Idaho: Lytton Publishing Co., 1997), p. 57.

11. Harrington, p. 94.

12. Mary E. Richmond, *Friendly Visiting Among the Poor: A Handbook for Charity Workers* (Montclair, N.J.: Patterson Smith: 1969 [1899]), pp. 151-52.

The Foundations of Morality

by Henry Hazlitt

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Recruiting Rural Physicians: Small-Town Socialism

by William E. Pike

As the supreme defender of the status quo, the state often feels a necessity to react whenever a broad market or social change is taking place. Lawmakers and bureaucrats are rarely satisfied to let new trends work themselves out for the public good in a free-market society. Such has certainly been the case with health care in America over the last decade.

Through the 1980s and into the 1990s, as health-care costs grew, society saw a shift in provider demographics. Two conflicting things occurred during this period. First, rising physician salaries in specialties such as radiology and anesthesiology drew more and more medical students away from traditional general practice. Second, managed care became increasingly prominent. Managed care, of course, relies on general practitioners, or primary care physicians, as gatekeepers between patients and more expensive specialized care.

As the ranks of primary care physicians grew smaller, such doctors began to get lucrative offers from large urban managed care organizations. These trends left an obvious void—a shortage of rural primary care physicians. A survey of medical school seniors taken in 1979 showed that only 59 percent preferred a large or moderate city practice. By 1989 that number had grown to 80 percent.¹

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Government Response

Local, state, and federal government agencies moved to check this shortage by spending tax dollars and manipulating the market. Now most states maintain some sort of program, at a cost of millions of dollars a year, to recruit and retain rural physicians. Politically, such programs are easily defended as absolutely necessary, in the words of Tennessee's rural health office, "to improve and enhance the accessibility, availability, and affordability of quality health care." Few voters, and certainly few legislators, are willing to argue with such a mission. However, are such agencies really efficient in the face of free-market alternatives?

How do government agencies recruit physicians for rural communities? The foremost device is money. Many states lure doctors to rural practice by paying all or part of the cost of their medical education. In some cases the state contracts with new physicians to work in a rural area for a specific amount of time in return for payment of debts at the end of that service. In other, less effective programs, students sign agreements promising to work in a rural area after completion of medical school, which the state pays for in the meantime. Obviously, this arrangement is prone to exploitation by students who, their education paid for and degrees in hand, decide not to practice rural medicine, or at least not to fulfill their entire obligation. In either case, citizens pay heavily.