

POOR ANALYSIS

BY MARTIN MORSE WOOSTER

In 1989, the citizens of Central and Eastern Europe finally began to free themselves from the specters of Adolf Hitler and Joseph Stalin. But in America the influence of the leaders of the 1930s has not faded. The welfare state constructed by Lyndon Johnson on foundations laid by Franklin Roosevelt still stands.

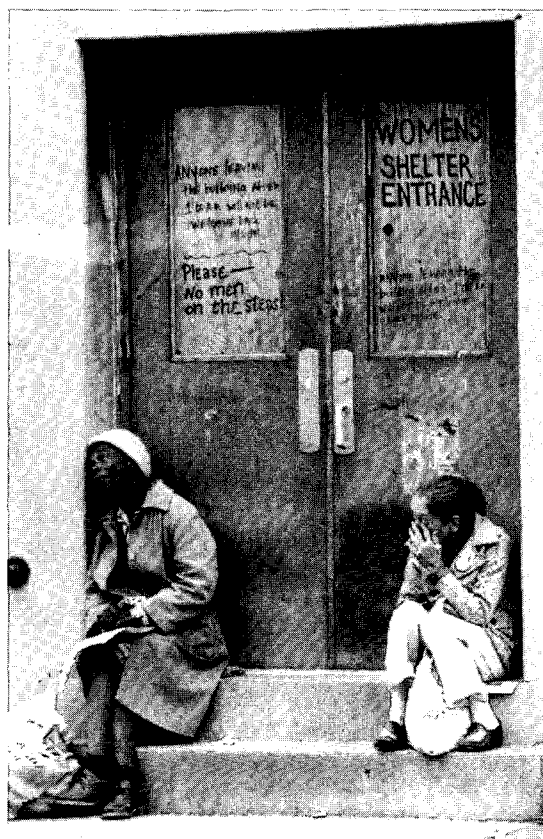
George Bush's welfare programs differ very little from Jimmy Carter's. In the 1980s, spending for most entitlements increased slightly, except for Social Security, whose budget rose dramatically. Federal job-training programs were cut substantially, but the money saved went to new programs for the homeless. Welfare spending, like most domestic policy, has been frozen as if in amber. The Reagan administration did very little to change the mix or nature of the federal welfare budget.

Intellectually, however, conservatives and libertarians gained a great deal of territory in the welfare war. Charles Murray's *Losing Ground* was the most influential book of social policy published in the 1980s.

Murray was the first to demolish Great Society and New Deal welfare policies using the language and techniques with which those policies were built.

Thus in 1990 liberals increasingly doubt that the welfare state is a guaranteed remedy for all the ills of the poor. One example of liberal rethinking is Mickey Kaus's hard-hitting piece in the May 7 *New Republic* arguing that income redistribution is not a good idea; the papers of the Progressive Policy Institute are another. In fact, looking through the pages of *The Nation*, *The Progressive*, *Dissent*, *Social Policy*, and *In These Times*, I could not find anyone willing wholeheartedly to defend Roosevelt's and Johnson's welfare policies.

This reluctance is due partly to simple laziness, partly to the impact of *Losing*



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Ground, and partly to the concept of the underclass and the allied notion that the problems of the poor are intractable. It's much easier endlessly to repeat a sound bite that isn't true ("The welfare budget was slashed during the Reagan Administration") than seriously to consider the ideas underlying the welfare state.

For example, consider the notion that "homeless families" are flooding into the nation's streets. Dan McMurry, a sociologist so dedicated to examining homelessness that he posed as a homeless man for 18 months, reported his findings in the October *Chronicles*. McMurry discovered that two-parent families with children represent a very small share of the homeless. Most "families" in shelters are "fragments of relationships"—single mothers with their children or unmarried

couples traveling together. Indeed, some "family" shelters exclude men.

The two most reliable surveys of the homeless, McMurry notes, found very few couples with children. Peter Rossi, in *Down and Out in America*, writes that "the homeless have failed in the marriage market about to the same extent as they have failed in the labor market." A 1989 Urban Institute report concluded that 79 percent of the homeless were single men, 10 percent single women, 9 percent women with children, and the remaining 1 percent men with children. The Urban Institute, McMurry writes, found no "families as we generally think of the term."

Why do these "fragments of relationships" hit the road? McMurry believes that, in most cases, the head of a homeless "family" is a "1990 female version of the bum, wino, and tramp of earlier times." She is most likely to be in a shelter not because of economic necessity but to escape the "oppressive daily grind" of life.

McMurry's article helps to refute the pernicious notion that people become and stay poor because they are victims of Reaganomics, greed, or fate. Liberals tend not to realize that many poor people become poor because of actions they freely choose to take—dropping out of high school, not marrying, having babies. McMurry's deconstruction dispels these romantic illusions.

While liberals were rethinking their time-honored positions on welfare, conservatives were discovering two "facts" about poverty, one true and one false. The true discovery, first brought to light by Robert Woodson and Cicero Wilson, is that many people in low-income communities are successfully climbing the economic ladder. The poor are not simply a horde of tax-sucking welfare

cheats who need a stern kick or two to come to their senses. The wrongheaded notion is that the welfare state is inevitable, and the best that we can hope for is a conservative version of it.

Although policymakers have used the term *conservative welfare state* for years, they've never clarified how it differs from the social-democratic welfare state. So I am grateful that *Policy Review* editor Adam Meyerson, in the summer issue of his journal, has tried to determine what form of welfare conservatives should advocate. He argues that conservatives should support temporary help instead of the dole. Giving a single mother three or four years of welfare when she has a child is, to Meyerson, acceptable; giving a single mother 18 years of subsidies per child, on the other hand, is intolerable. Meyerson also advocates shifting the welfare burden to states and cities as much as possible and finding non-governmental solutions when feasible.

But unemployment and welfare programs administered by the states are as tangled in red tape and mindless bureaucracy as any program staffed by federal employees. While "shaking up state and local bureaucracies" may be a good idea, experience shows that, unless the bureaucracy's budget is cut, the "shakers" leave and the careerists stay. Most of the Reaganites who thought they could wield an ax against the federal budget found themselves on the street.

Meyerson rightly calls for more research on "private-sector and community-based solutions to social problems." Because conservative foundations do not have the budgets of a Ford Foundation or Carnegie Corp., such research is scarce. But Meyerson has made a substantial addition to conservative arguments on welfare by publishing, in the fall *Policy Review*, Marvin Olasky's analysis of the origins of welfare spending.

Olasky, a journalism professor at the University of Texas, explores how Victorian and Edwardian Americans worked with the poor. Far from being stone-hearted social Darwinists, Olasky explains, most Victorians believed that people who were down and out should be helped. But they tended to oppose hand-

outs. Alms, observed reformer Jacob Riis, are "degrading and pauperizing." City spending on welfare, said the Rhode Island Board of State Charities and Corrections, "does more hurt than good, and makes more paupers than it relieves."

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cause aid givers knew the poor intimately, they were able readily to differentiate between the truly destitute and pretenders.

In the early 20th century, however, these attitudes changed. Social work became professionalized. Armed with their master's degrees or doctorates, the heads of the leading charities increasingly believed that volunteer work was inefficient and lowly, and they made sure that people who signed up at their agencies to help did clerical work instead of assisting the poor. Furthermore, many Christian leaders thought that people could best serve God through an abstract desire to save the masses, usually by boosting government spending on poverty.

To aid the poor, Olasky suggests, we should once again think of them not as "clients" or as masses, but as individuals who are best served by the stern but loving aid of those who are better off and who freely donate their time. But how should this be done? In the May *Washington Monthly*, Jonathan Rowe and Stephen Waldman describe one promising idea, "service credits."

Proposed by Edgar Cahn, a law professor at the University of the District of Columbia, service credits work like this: A volunteer bank pays elderly people who perform services for their peers—taking them to the store, mowing a lawn—with credits they can trade for similar services or for discounts on health insurance. Currently in use in five states, service-credit programs are not only popular, they're cheap. In Miami, one full-time employee, one part-time employee, and 10 VISTA workers supervise nearly 1,000 volunteers.

Service credits take the person-to-person approach to aiding the poor that charities have avoided for more than 50 years. Most people, Rowe and Waldman report, don't turn in their credits. They're simply grateful for a chance to make a difference in other people's lives. The authors also show that only private organizations can make sure that service credits work properly. When the state of Florida attempted to administer service credits, its welfare chief, Margaret Lynn Duggar, sabotaged the effort.

Duggar feared that volunteers would threaten the jobs of her social workers (how dare uncredentialed amateurs "perform such technical tasks as cooking lunch for a bedridden man!"). So she imposed so many restrictions that the program was not launched until a month before it was supposed to expire. Having killed the program, the dutiful bureaucrat then spent \$20,000 in tax money to poll other state departments about whether service credits work.

Olasky, Rowe, and Waldman are all on the right track. The debate over welfare policy has been grounded in a false dilemma: a choice between existing welfare programs and nothing at all. But Americans are a charitable people. Their inclination to help offers a third alternative. The vast potential for private assistance would be obvious if we saw the poor not as clients, patients, or excuses for bigger budgets, but simply as fellow men and women whose problems are as diverse as our country.

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BUTTER AND BALLOTS

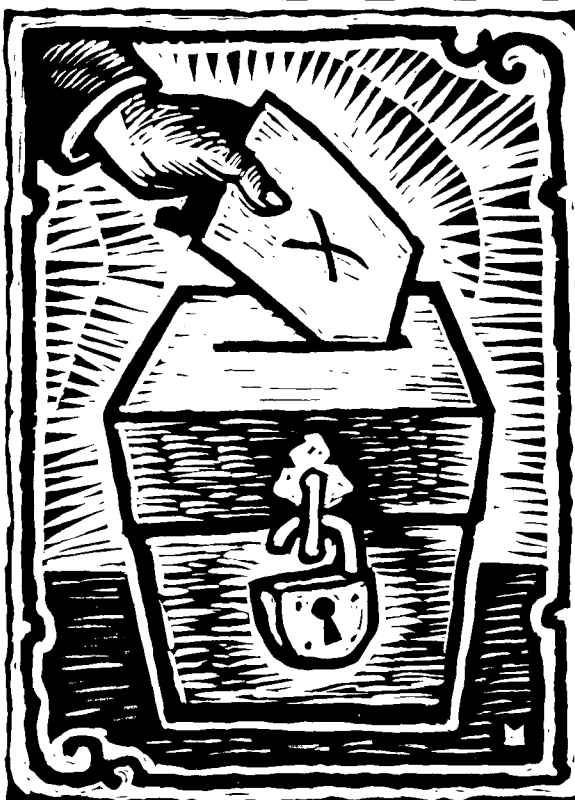
BY JULIO MARQUEZ

Mexico is in the headlines. After nearly a decade of economic stagnation, mounting foreign debt, and rapidly decreasing standards of living, the Mexican economy has begun to flourish under the administration of President Carlos Salinas de Gortari. Through an aggressive program of privatization and deregulation, Salinas has cut inflation from 80 percent to under 20 percent. Employment is up. For three consecutive years, the Mexican stock market has outperformed every other market in the world. And for the first time since 1982, real wages are on the rise.

This rapid progress has made the Mexican resurgence an international media event. "Mexico is on its way to becoming an economic powerhouse," declared *Forbes*. "Mexico is back," announced the *Wall Street Journal*, calling Salinas's team "the best in the world." *The Economist* declared Mexico "a model debtor nation" and Salinas's progress "astonishing" and "remarkable." Even traditionally restrained publications have jumped on the bandwagon. "In spite of all his difficulties, President Salinas's performance has been near faultless," observed *The Financial Times*.

But Salinas, a former budget minister with a Harvard Ph.D. in economics who had never held elected office before, still faces a major challenge, one that has been largely overlooked by the media: democratization. Unless Mexico rids itself of the authoritarian, one-party system that has ruled it for 62 years, many of the spectacular advances in the economic realm may evaporate in the midst of social upheaval, as an increasingly urban, affluent, and well-informed population demands greater political rights.

Unfortunately, Salinas never really earned the presidency he assumed in



December 1988. Although his ruling Institutional Revolutionary Party (PRI) officially received 50.9 percent of the vote in 1988 (the PRI's lowest total since 1926), outside observers agreed that the government-run Electoral Commission rigged the final tally.

The liberal Cuauhtemoc Cardenas of the Democratic Revolutionary Party (PRD) seems to have swept southern and central Mexico. The conservative Manuel Clouthier of the National Action Party (PAN) scored well in the north and with the middle class. Salinas may have even placed third, backed only by the bureaucracy and a few rural strongholds.

Immediately after the elections, there were a series of huge protests against Salinas's victory. But the country has come to accept the official results. Salinas's promise to institute democratic reforms and guarantee free elections may have placated the people.

But the promised reforms have proved

illusory. The PRI has granted only one major local election—in Baja California—to the opposition. And the evidence of fraud in all elections continues to mount. "In all the time I have been working in the electoral business, we have never been able to collect as much proof of irregularities in the process as nowadays," says Jorge Alcocer, a PRD leader. He describes tactics ranging from last-minute changes to voter registries to the unsolved murders of four PRD observers.

Even the Organization of American States, in a rare stance, recently criticized the Mexican electoral process and sided with the opposition in various contested elections. And the most unsettling development is the death of Clouthier, who had become a very powerful force for change through his hunger strikes and post-election rallies. He died under mysterious circumstances in a midnight car accident on a secluded road, officially the victim of reckless driving.

Salinas has managed a delicate balancing act. On the one hand, he is modernizing and developing Mexico and bringing new optimism to his people. On the other, he is clearly exploiting his authority to remove his political adversaries.

"Police abuses, electoral fraud, the complete lack of a modern and clean system of administration of justice are not accidents or errors of the regime," writes Mexican commentator Jorge Castañeda. "They are a substantial part of the modernization of the authoritarian scheme, and they constitute the central contradiction in Salinas's avowed goals."

Perhaps Salinas thinks that only a single, unifying party can direct and control the country. But as the majority of Mexicans sample economic freedom for