Introduction

Times Square, the “Center of the World,” has emerged from years of tawdriness into the new polish of digitally triggered billboard systems. Pornography and prostitution have slunk away. Bright multiplexes, worthy of the best suburban mall, have replaced dingy urban movie theaters. Mickey Mouse and other beloved Disney characters have taken over from the rats and roaches.

On December 31, 1999, the dramatic lowering of a new Waterford crystal ball marked the beginning of the third millennium. Predictions of Y2K terrorism never materialized at that happier time, because appropriate precautions had been taken; because, as was generally felt, there was less cause for fear; because of luck; or perhaps all the above. Despite what the more puritanical may have perceived as unruliness and lawlessness, most saw the revelry and flaunting of liquor laws as exuberance befitting the occasion, which is how the police, expecting the best but prepared for the worst, also seemed to perceive it.

In pre-millennium but post-television New Year’s celebrations, the dropping of the ball at Times Square commemorates the new year even for those who are not present. Thousands watch TV as the ball descends and reaches its target destination. Distant gatherings and parties pause before the television set to see the ball drop.

What holds for any New Year held brilliantly for the singular New Year that marked the millennium, not least because of the revolution in telecommunication technologies that made worldwide celebrations of the new mil-
lennium transmissible for all to see (most excellently by CNN, whose twenty-four-hour news cycle, global reach, and transformation of local occurrences into global events have transformed Ted Turner, CNN founder, from an eccentric into a billionaire and visionary). The millennial inauguration was a fabulous demonstration of new technologies and their connection to us all. Countries from around the globe not only applauded the new millennium but celebrated it as a superbly choreographed TV event. (Only cynics could have regarded the occasion as an advertisement for third-millennial tourism.) People had their favorites, of course, such as the sound-and-light show at the Egyptian pyramids.

The change in millennium occurred at 12:00 A.M., December 31, 1999. It usually goes unnoticed that this marks not only a time but a combination of time and space (not to be confused with the time-space continuum of special relativity), midnight occurring every hour according to one’s longitudinal position around the globe. Thus it took twenty-four hours for 12:00 A.M., December 31, 1999, to complete itself globally. This is significant given three factors: (1) global television; (2) nations around the globe preened in free air time; and (3) the change in millennia. The result was that the new millennium’s first super event was a fabulous twenty-four-hour global television show.

Although this worldwide TV show was the best and the brightest of more than a thousand points of light around the globe, let us return, however reluctantly, to Times Square, which then found itself in a Manhattan undergoing change. To many, the remaking of the city was beneficial and long overdue: the transit systems were safer, people felt freer to walk the streets, the graffiti that once marred city walls had practically vanished. Manhattan and its visitors had taken back the night. For those who could afford it, shopping became exciting, and for those who could not, window shopping provided its own joy. Culture bloomed; the South Street Seaport, Tribecca, Soho, and other newly emergent neighborhoods joined Times Square as tourist attractions. Manhattan’s wealth was enjoyed even by touring college students. Indeed, there evolved a “Manhattan Renaissance,” for once again Manhattan was a tourist mecca, a focal point of culture, a global financial center, surely the appropriate place for a crystal ball to mark the new millennium.

Even at more sober moments more distant from the millennium, it was a brave new world for many people. Good jobs abounded. The days when jobs were in jeopardy in the face of lean and mean corporate down-
sizing were substantially over; most restructuring was a thing of the past, and that which remained had been accommodated into a new mind-set, a new lifestyle. Besides, why should corporate employers have felt any loyalty to their employees when the latter no longer felt loyal to them? The Dow crashed 11,000 before retreating; the NASDAQ soared above 5,000 before falling back through 2,000; and corporations had shared a piece of the action in the form of stock options, 401Ks, and the like, the government following suit with IRAs and college IRAs.

Use of the Internet became an open private perk, at least during lunch hour, when employees averaged some fifteen minutes observing and adjusting their investments. Given the fabulous escalation of the stock market, many people were rich. Even though salaries may not have increased, people felt free to spend, as they discovered what had traditionally been termed the “wealth effect,” whereby rich people spend more of real or paper profits.

True, most people were likely to work some sixty hours a week, and their spouses were likely to be employed as well. But that allowed them to live in two-income dwellings where their children were physically safer and had more after-school activities to prepare them for college. Further, kids of course, like their parents, wanted designer clothes, expensive cars, and glamorous dates. While they certainly had a right to such luxuries, they were also obliged to work for them—and kids who worked were less likely to get into trouble. When employees got sick, employers provided good health insurance. Those employees astute enough to know that employers regard benefits as coming from the same pool as salaries were also wise enough to realize that the government kicks in some benefits by not taxing them. (If anything, taxes were too high anyway, a judgment the corporations shared.) Some may even have felt that they were living in the best of times, that things could only get better.

Not everyone felt so fortunate, however, at the dawn of the new millennium. Large areas around Times Square were cordoned off to traffic. One could pass through only by police escort. Some people remained in their offices after work to glimpse a view of the millennial events from a window, or, more commonly, many traveled there by subway. Among the revelers arriving by subway were those from the poorer fringes of Manhattan, the South Bronx, and Bedford Stuyvesant in Brooklyn, as well as poor people from areas less well known. Of course, these people did have money for the subway ride, were healthy enough to take it, and were willing to brave the walk between their residences and the nearest subway stop—stiff require-
ments even for a millennium. Nevertheless, many poor people were real-life witnesses to the dropping of the crystal ball.

With a national unemployment rate sufficiently low to make Alan Greenspan, chairman of the Federal Reserve Board, lose his hair, even low enough to have made the employment of new workers problematic for many corporations, many people who saw the ball drop were from areas where the level of unemployment exceeded 50 percent. They were from places where people had a low life expectancy, poor health, and poor education; where people contributed disproportionately to the 2 million occupying American prisons; in short, they were poor and oppressed. One mark of the new millennium was that the economic distance between the rich and the poor had never been so great. Another was that social policy was inadequate, underfunded, even in disrepute.

And what was the situation in Egypt and Africa, the country and continent that featured a favorite colossal event of those twenty-four hours signaling the new millennium, the sound-and-light show at the pyramids? Although both have their share of fabulously rich and powerful people, most of the population in Egypt and Africa are poor. Indeed, as in New York, never has the difference between haves—those who control capital and the corporate conglomerations of capital—and have-nots—those who have no such control—been so great. Further, the standard of living in Egypt and Africa has never been so distant from that in the United States. In short, the contrast between haves and have-nots has never been so great between rich and poor countries, within rich countries themselves, and within poor countries. These are not natural circumstances; they have been created by people.

At times grudgingly, at other times more bountifully, the world’s developed countries use a small portion of the wealth and income of rich people and corporations to pay for various social policies that are largely targeted at poor people and designed to make the effects of modern capitalism less burdensome, sometimes even beneficial, to poor people. This is particularly true in countries that developed and prospered under industrial capitalism, such as the United States, Japan, and the countries of western Europe. The mechanism that implements such policies is commonly known as the welfare state. The United States stands out because of the remarkably late arrival of the welfare state to its shores.

The welfare state did not become a serious issue in the United States until President Franklin D. Roosevelt’s New Deal. Dwight D. Eisenhower, the first Republican to become president since the New Deal, did not dis-
mantle the welfare state—to the dismay of some in this party. Apparently, the welfare state and the social policy it embodied were above politics. Moreover, under President Eisenhower, not only did the welfare state endure but aspects of its social policy increased. Transfer payments under the Nixon administration put post-transfer poverty at a historic low. Thus, aside from modifications at the margin, social policy and the welfare state were substantially bipartisan.

Essentially the welfare state funds social policy through taxes. Several reasons have been advanced to explain the existence of social policy fulfilling at least some promise of a bountiful economy for all. Perhaps haves support social policy because they are good, generous, and caring people. Or perhaps social policy is provided only under the threat of violence or at least the threat of a noncooperative labor force. Or it may be that social policy emerges as a means of holding nations together, that it helps these nations define themselves, that indeed social policy is an adjunct to nationalism.

This book was written before the horrors of September 11. It has not taken them into account. Yet, if anything, these tragedies may have made its arguments even more important. Each of the following chapters deals with facets of social policy. The book is not meant to be an exhaustive examination of social policy, nor is it bipartisan, nonpartisan, or even impartial. As will also become evident, the conviction addressed here is that current social policy is inadequate, undemocratic, even disgraceful. Indeed, it is the author’s belief that the start of this brave new millennium has been accompanied by a crisis that demands rapid changes and realistic, “big” thinking.

Each chapter is substantially different in its emphasis and approach. The book critically examines the word “policy,” explores some features of corporations associated with social policy, establishes a rudimentary understanding of markets, contextualizes poverty, provides a brief history of welfare and its reform, explores how disabled people are reluctant and inadequate participants in social policy, proposes modest modifications to Social Security, analyzes current health care policy, explores how private and public policy interpret children, suggests that a prevalent, if unspoken, category in private and public policy is that of “outsider,” and suggests one way to confront the current assault on social policy. Of course, there are occasions for side trips, critiques, even ethical outrage.

In chapter 1, I attempt to demystify the word “policy,” attaching it to the politics of people rather than viewing it as a commandment handed down
by God, bureaucracy, or human nature. Usually policy is talked about as being public. It is more meaningful to explore both public and private policy and their interconnections. Because most policy is developed of, by, and for haves, a fact overlooked in much social policy writing, I find it important to draw a distinction at the start of the book between two classes, haves and have-nots.

The topic of chapter 2 is corporations, a far newer creation than society or polity. Corporations require public policy to work. Usually, private policy is corporate policy. Corporate policy is nondemocratic, in fact often antidemocratic, and often has a more important effect on people than much public policy does. Corporations may act with one another and with the public sector, workers, and consumers through markets. In this chapter, I suggest that the free market is a myth and that the modern market is increasingly controlled by corporations. Of particular interest is the new form the market has taken, and its attendant social, environmental, and political consequences, what has come to be called “globalization.” Also discussed here and throughout this book are the profound consequences globalization has, perhaps unexpectedly, on social policy.

In chapter 3, I take an noncontroversial look at poverty and at wealth—and at a connection between poverty, wealth, and taxation. Some nonpecuniary dimensions to poverty are considered. Of necessity, the discussion is directed at the inequality between haves and have-nots.

Chapter 4 explores the remarkable creation called “welfare reform” and its consequences. An extraordinary phenomenon has occurred in the United States: welfare, rather than poverty, is considered the “problem”; that welfare and other transfer payments were attempted solutions to poverty and not the problem has apparently been forgotten. So-called welfare reform occurred in the context of an economy dominated by global corporations, a globalization that makes it difficult for any one country to maintain control over its economy.

The subject of chapter 5 is disability, which has become a nemesis to the welfare state and a challenge to social policy. Although one might imagine that the new digital, virtual, information economy would be better able to accommodate disabled people, the opposite is true. Because these aspects of our economy are significantly controlled by giant corporations, disabled people have become members of a larger group, outsiders, a subject taken up in chapter 9. When an able body becomes disabled, its fit with corporate organization becomes particularly problematic. Thus disabled bodies rep-
resent “able bodies” and their difficulties with contemporary corporate bureaucratic capitalism.

Social Security, the crown jewel of our social policy, is explored in chapter 6. The United States is “graying,” yet not so much as other developed countries such as Japan. Aided by the media and the corporate requirements of a global economy, the increasing proportion of old people has become an unnecessary critique of Social Security, one that finds it bankrupt and only typical of the public sector’s corruption of social policy. Like other forms of social policy, Social Security, one is told, is best left to the private sector. Perhaps nowhere is the assault on social policy as clear as in the attacks on Social Security. And nowhere are the issues so befogged by the media, government, corporate propaganda, transnational corporations, and the particular form that increasing globalization is taking.

Chapter 7 offers a reasonably straightforward account of our health care system, its deficiencies, and what needs to be done. Many people involved in health care policy essentially agree with the thrust of this chapter. Yet, the real world, or at least the one we are told is real, finds the solutions proposed for our health care system at best difficult, even utopian. In this chapter, one is called on to question a world that so imperils decency and common sense.

If the chapter on health requires only common sense, chapter 8, on children, demands more. We do not seem to understand children—the more you give them, the more they seem to want—yet we seem clearly to understand that children are resources for the future, their labor is to be cultivated as a commodity, their education aimed at increasing their human capital, that they are malleable and can be turned into assets for corporate society. Occasionally something goes wrong, and the world is disturbed by the clamor surrounding Elián González, by the prison sentence of Nathaniel Brazill, by the tragedy at Columbine.

Many aspects of the welfare state, indeed of social policy, are constructed, deconstructed, and then reconstructed by custom, bureaucracy, politics, and power. Samples of such categories, what I term “outsiders,” are portrayed in chapter 9; these include mental illness, drug abuse and its treatment, and imprisonment. They issue from our social policy and are more connected to it, and to one another, than is apparent. There is a certain fungibility to these categories. In the future, one can expect that more mentally ill people will be “treated” by the criminal justice system, as, in the past, many mentally and physically disabled people were “helped” by institutions before the ad-
vent of “deinstitutionalization.” As I suggest, these categories and others are connected to a global, corporate capitalism.

Books such as this one are often set aside, either gladly or reluctantly, with the ultimate comment: “This is all very nice, but what can we do to change things?” In the final chapter, I offer an answer to this question, given the rising tide confronting us in the new millennium, with most of us not even in boats but afoot, a tide in which only a few haves, if that, will be dry and most of us will be soaked. We should prepare for change, more rather than less, quickly rather than slowly. The social policy of the last century is under assault. It is my hope that the following pages will contribute to a better navigation of the current storm raging against social policy.