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The New Populism

A Reconsideration of the Crisis of the Welfare State

by John McKnight

The issues and questions raised by the author are significantly bounded by his experience in the United States. It is clear that there are distinctive social welfare traditions in both Western and Eastern Europe. Therefore, the formulations that follow may be of limited applicability to the central social welfare questions faced in Europe.

REFORMING THE WELFARE SECTOR

There is a rapidly growing concern by the left and right regarding the apparently limitless demands upon public budgets of social welfare programs. The competing demands for reindustrialization, tax limitations, or armaments are accentuating this widely reported "crisis of the welfare state." The typical response has been a policy debate that focuses upon issues such as setting "ceilings," establishing new priorities, cutting back selective programs, and eliminating ineffective programs.

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These policies generally attempt to control four areas of public expenditure: medical services; programmatic social services such as child care, counselling, training, drug abuse therapy; pension programs providing income for those of older age; and income or income subsidies for those of "employable" age.

A policy discussion involving the limitation of these four elements of the welfare sector is useful because it demonstrates the effective boundaries of this definition of the problem. Each element of the welfare sector presents special, resilient characteristics that have successfully resisted limiting strategies.

Medical services relentlessly increase their fiscal demand while their impact upon health status steadily declines. Indeed, medical expenditures and improved health status now appear to have very little relationship. Therefore, the most common policy response has been an attempt to place arbitrary limits on medical costs or services as a rationing mechanism. This policy is countered by reports of radical new medical breakthroughs with high cost technologies.

Programming social services have rapidly increased their jurisdiction over a variety of social relationships and the percentage of the population receiving each variety. Because these services are completely labor intensive and the level of skill required is so low, their expansion has created a large labor force of service workers. These workers are largely drawn from the middle and working classes and women initially entering the labor force. As a group, these workers represent a potent popular force whose limited income is critical to their survival. The necessity for their service grows less obvious, however, as they expand into new fields such as grief counselling and institutionally paid patient advocacy. These newly invented marginal categories of need primarily serve to create jobs for those of middle age by imputing new maladies to those of young and old age. While the programmatic services have not found the equivalent of a medical breakthrough to fuel new demand, the breadth of the space they occupy in the marketplace and the political power of their associations are an effective counter measure to policies of limitation.

Pension programs are impelled by three relentless forces. First, the demographics of most industrialized societies rapidly increase the percentage of the older population. Second, the shrinking demand for labor in technological societies demands new allocations of the growing supply of nonemployment. Third, in order to grow, the medical and social service sectors need enlarged populations to serve. The older person as a dependent client is essential to the rationalization of the growing service sector. Policymakers with the intent to limit pension expenditures experience the potent political

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counterforce of the pensioners, the service workers, and the children of older parents.

Income or income subsidy programs are reflected in at least three variations: direct cash support; income in exchange for public sector work—called "workfare" in the United States; and income subsidy for work in the private sector. Examples include some U.S. and European automakers, whose overt public subsidy is based upon job protection.

These forms of income support have been most vulnerable to limitation and cutting back because the recipients involved are the least powerful. Those who are beneficiaries are limited in number and generally the least powerful in society. The fact that they receive a cash subsidy may also mean that they receive only limited political support from medical and service workers who prefer the client guarantees that are insured by medical and social service programs. Nonetheless, it is clear that public and private policymakers are now developing long-range plans based on the assumption that a substantial percentage of the population will be continuously unemployed or receiving subsidized employment. Normalizing structural unemployment appears to be the new order, institutionalizing the underclass and depending on public conscience to provide the motive for maintenance at marginal levels.

This review of the social welfare sector and its constituencies demonstrates the problems faced by those who seek policies supporting limits, ceilings, or cutbacks. The reality is that an approach focused upon limiting or reducing public budgets finds a powerful counterforce composed of medical profesionals and their allied service and product industries, popular supporters of medical expansion who hope for immortality through medical miracles, social workers of all classes together with their ever-growing dependent populations, women seeking a new place in the labor market, older people and their children, the unemployed, and those who believe in decent levels of support for the disadvantaged. The powerful nature of these interests, each deeply invested in serving and being served, makes it

quite clear that a *significant* change in the costs of the social welfare sector is unlikely to occur through the forces of fiscal reform.

Indeed, the reality is that the social welfare system is not really a sector. It is better understood as the natural child of modern techniques and technology, professional dominance, authority of central systems over social relations, and universalizing expectations for participation in the paid workforce. These four parents, committed to the growth and development of their systems, will necessariy nurture and, perhaps inadvertantly, strengthen the child's power of self defense. Indeed, the question of reforming social welfare is essentially a family problem quite unlikely to be resolved until the parents are prepared to change themselves.

Approached as a special sectoral economic problem, we believe that significant change in the social welfare system is illusory. The system serves broad interests and performs critical functions in our technological societies. Therefore, if we pursue technological imperatives, it is unreasonable to think we will abandon so useful a child.

The reasonable question is to ask whether the conditions the social welfare system purports to deal with might be starting points for parental reform. Could we identify, or imagine, some beginnings that address social dilemmas in such a way that the excesses of technology, professionalization, centralism, and commodification might be bounded or even challenged? An inquiry of this nature could lead us toward defining possibilities worthy of our purpose and pursuit.

Such an inquiry begins with the premise so well defined by Paul Goodman when he said, "The good society cannot be the substitution of a new order for an old order. Rather, it is the extension of spheres of free action until they make up most of social life." Social welfare systems are the new order of a technological society.

We propose here to suggest a framework to examine the nature of spheres for free action, the possibility of their extension, and the policies that might allow their proliferation. Their focus is

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primarily, but not exclusively, those conditions that are the object of social welfare.

A DIFFERENT SPHERE OF ACTION

We would suggest that spheres for free action incorporate these interdependent characteristics: opportunities for choices, authoritative local forums, and appropriate tools. Social welfare systems are the progeny of systems that invert these characteristics by producing social monopolies through centralized decision-making. To begin an inquiry into the possibiities of extending spheres of free action, a series of questions are suggested.

Choice

The reality of life defined by social welfare systems is that it creates a monopoly on forms of action and legitimate actors. To extend spheres of free action, these monopolies must be bent, broken, avoided, or ignored. Questions:

1. Where have communities and individuals maintained effective choices?
2. Where have communities and individuals pushed back monopolies on actions and actors?
3. What are the monopolistic features of choices within the welfare system?
   a. Are people required to take professional service in lieu of income?
   b. Are people required to use professionals to deal with their conditions?
   c. Are people required to accept professional definitions of their problem?
   d. What are the incentives and penalties for not accepting the system's definition of your problem, the appropriate intervenor and form of intervention?
4. What form of public action could push back these monopolies and broaden spheres for free action? Are there policies and constituencies with the interest and capacity to take such action?
5. Are there public actions that could encourage inventions and initiatives that operate outside the boundaries of the monopolies? Would these actions merely create new rules and/or provide a vehicle for "plugging" informal efforts into the system?

It should be noted that there are those who urge de-monopolization and favor competitive or marketplace models. This approach creates intensive commodification and, if current experience in the United States is a prospective model, will produce re-monopolization in the private corporate sector. Therefore, to extend spheres of free action must mean the democratization of both definition and action at the local level.

Forum

Much of the social welfare system is compensation for the technological society's destruction of social life and its tools. This atomization has degraded or eliminated the forums where community definition and action can be conceived or negotiated. Thus, care is translated from an expression of community to a commodity of professions or marketeers. The possibility of extending spheres of free action requires the restoration of the forum—places where polities, face to face, can invent, negotiate, and decide upon choices with authority. This is actually another form of de-monopolization of central state and/or corporate authority as well as the monotonic electronic substitute for the dialogue of citizens. Questions:

1. Where have communities maintained effective forums for invention and decision-making? (This does not include those advisory groups or other forms of community support engineered by social welfare managers.)
2. Where have communities extended their authority to define and decide? What made these openings possible?
3. Are there legitimate limits that should be placed upon the au-

thority of local communities to act on conditions involving care and well being?
4. What are the major interests that would oppose this relocation of authority?
5. What forms of public action would create incentives in support of authoritative local forums?

It should be noted that some bureaucratic decentralists have conceived and initiated franchise-like local community expressions. They have the apparent power to make decisions, but the control of basic budgets and tools for carrying out decisions are maintained and defined by the central authority. Effectively, this translates into the statement that, "At the locality, you can decide upon anything I agree to pay for or that can be achieved with my tools."

Tools

The social welfare system is, itself, the tool of a technological society for producing service in lieu of care, and commodification in lieu of well being. Its basic technology is its system, an adaptation of the bureaucratic/corporate model. This model has sometimes been cloned at the local level as a substitute for expanding spheres of free action.

To expand the choice-making capacity of authoritative forums, it is necessary to push back the method (technologies) of the social welfare system as well as its control over budgets and other tools. This means the *transfer* of appropriate material and economic resources from one sphere to the other. Free action finally depends upon the power of definition, creation, access, and control over appropriate tools. Questions:

1. Where have communities and individuals maintained effective control over the economics and technology for care and well being?
2. Where have communities recently extended their control over these economies and technologies? What made these openings possible?
3. What new local inventions have created appropriate tools or action expanding economics for local production for local use?
4. What use-oriented activities have been maintained, created or extended in localities? What made these openings possible?
5. How has information about new tools and economies been shared with others?
6. What public actions could extend the access to productive local tools and economies? What interests would oppose this extension? Which polities would support the extension?

PUBLIC POLICY ADDENDUM

In thinking about extending spheres of free action, one is constantly impressed by the barriers imposed by various forms of state regulation. These barriers are portrayed as public protections while they are usually means to insure professional monopolies, central authority, and preferred technologies.

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Therefore, one can see that one form of state action allied to extending spheres is removing barriers to free action. Practically speaking, this means placing limits upon monopolies over social choice, forum, and tools. Questions:

1. Which public barriers disadvantage community choices, forums, and tools?
2. What would be the costs to general well-being of their removal?
3. Which polities would support their removal?

The idea of deregulation invites state action to remove its own barriers to *extending spheres*. There is in this idea the assumption that the essential problem is barriers to extension. In some societies it may be more accurate, however, to describe the motion and direction of the problem in different terms. In these societies the problem is best understood as the rapid *invasion of spheres* of free action by technologically-based systems. Rather than policies allowing extension, the basic problem is better understood as defending existing spheres from invasion.

This raises the question as to whether it is possible to provide a policy framework for two domains—technological systems and spheres of free action. Can we create structures that will foster dualism by removing barriers to the spheres, or is the reality that the technical systems will necessarily drive out the spheres of free action unless there are positive actions to protect the spheres from invasion?

Perhaps a metaphorical example will make the point. In the United States, many rural communities were composed of family farms. As chemical-based, high-tech, machine-oriented farming was introduced by agricultural professionals from universities, those farmers who did not adapt to the technological system found their farms to be uneconomic and they sold out.

The remaining family farmers inundated their land with chemicals and pesticides, borrowed heavily to buy expensive machinery, managed their operation with home computers, and they are now finding that no amount of technology can make their farms economic. They are now being squeezed out of farming by agribusinesses. Therefore, in many rural states in the United States, legislators are belatedly considering legislation that will "protect the family farm." This "protectionist" legislation recognizes that no amount of family, local, or community compliance with the demands of techno-agriculture will allow for survival. Therefore, the legislation attempts to designate an economic and social space protected from the demands of the technological system.

Are we in essentially the same situation in regard to that social space encompassing spheres of free action? If so, is state protection for free space desirable or possible? If it is both, what is the nature of the state protections necessary to allow survival of free space in a technological society? ■