✣ COMMENT ✣

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For my purposes it will be helpful to summarize Professor Solow's argument as follows: in thinking about public policies dealing with the poor, a conflict exists between two important human values—self-reliance and altruism. In the context of welfare, establishing a quid pro quo rooted in work can help to resolve the conflict between these values. Both those who give (taxpayers) and those who receive (welfare dependents) feel better about the transaction if recipients work for their benefit. Yet, there are problems with this resolution. Among the recipients there are young children to be cared for, the level of work experience and employment skills are low, potential earnings even from full-time year-round employment are meager, and there are physical and psychological disabilities that impede the finding and holding of a job. Inevitably, not all of the recipients will find jobs, and even fewer will keep the ones they find. Therefore, although the conflict of values can, in principle, be resolved through work, this will happen in practice only if assistance is given to recipients, including the creation of public-sector jobs, the provision of wage supplements, and the provision of services like child-care and health-care benefits, counseling, and training. In short, only if work for welfare

recipients is properly supported can the quid pro quo of workfare provide a decent resolution of the tension between the competing values of self-reliance and altruism.

My principal response to this argument takes the form of a question: is "work" the appropriate lens through which to approach the conflict of values associated with the existence of dependent persons in our midst?

At the risk of oversimplification, let me divide the issue of "work" for low-skilled persons into two subthemes—there are not enough low-skilled jobs, and people can't live on the wages paid in the jobs that are available. Of course, since demand curves slope downward, these issues are not independent. (That is, inevitably there will be a trade-off between the number of jobs and their remuneration.) But we can distinguish these two issues for the purposes of this discussion.

As Professor Solow recognizes, the shortage of suitable jobs for welfare recipients reflects both the slackness of low-wage labor markets and the characteristics and behavior of welfare recipients. He cites the work of anthropologist Catherine Newman of the Kennedy School at Harvard, which illustrates how, among relatively low-paid workers with skills clearly superior to the average welfare recipient, jobs are hard to come by, and hard to hold on to. (Thus, three-quarters of a Harlem sample of high-school graduates were unemployed one year after the initial interview, though the entire sample was selected from people actively seeking work.) He also cites the very modest positive effects of experimental efforts to find jobs for welfare recipients in California as evidence that many in this (welfare-receiving) population will have

great difficulty holding onto jobs even if they can find them. As for the second problem (low wages), Professor Solow avoids advocating raising the minimum wage, but instead urges wage subsidies through the income-tax system (namely, expanding the Earned Income Tax Credit program).

The bottom line is that, for both of these reasons, making this quid-pro-quo transaction a reality will be a costly undertaking. This is particularly so since, politically, it will prove difficult over the long run to limit such benefits as expanded wage subsidies for low-wage workers, or continuing child-care provision, to only the (ex)-welfare population. Moreover, the moral question arises as to why, with general assistance benefits being cut or eliminated in some states, and with the prison populations of the various states growing rapidly, the target population for promoting the capacity and remuneration for dignified work should be limited to that segment of the low-skilled population which happens to consist of single mothers. Once the support of work for indigent and difficult-to-employ women with children has been institutionalized, how does one justify excluding from such support the brothers of these women, or the fathers of their children?

It seems to me that "work" in this workfare discussion is not really a quid-pro-quo matter at all. Recipients will not be "giving" very much in return for the benefits they receive. The transaction is "balanced" only in the sense that the recipients are seen to be making an effort. But they may be adding very little net value, once all costs of their support are taken into account, and once the opportunity costs of their time way from home (and children) are

added in. What seems really to matter is that recipients are visibly trying to do something for themselves. This is what we are calling "work," in our effort to resolve the conflict between the values of self-reliance and altruism.

Toward the end of his *Atlantic Monthly* article on welfare reform, Peter Edelman observes that, in a sense, much of welfare policy is really better thought of as disability policy.[1] One-third of the welfare caseload involves some disability in either the mother or the child; between one-third and one-half of the caseload seems not to be employable, since that many remain without jobs in the best "supported work" experiments, after three years of concerted effort. A great number of these folks are socially, psychologically, physically, or mentally impaired. Young children are involved. Why is our response properly conceived along this single dimension of work?

Yet "workfare" has carried the day. Should it have? How did we end up here? The answer, I think, is neither historical inevitability nor intellectual force, but rather political expediency. This reflects poorly, I believe, on the position of progressive advocates in the contemporary political environment. Progressives found in "workfare" a salable antidote to conservative reaction against welfare policy. David Ellwood's answer to Charles Murray was "If you work hard and play by the rules, you shouldn't be poor."[2] But, where does this leave the great number of people who are not able (or willing) to "work hard and play by the rules"? Do they (and their children), then, deserve to be poor? In other words, is the distinction be-

[1] Peter Edelman, "The Worst Thing Bill Clinton Has Done," *Atlantic Monthly* 279.3 (March 1997).

[2] David T. Ellwood, *Poor Support* (New York: Basic Books, 1988).

tween deserving and undeserving—between "good" and "bad"—poor people a political and moral necessity in our time? And, can (or should) we make this distinction stick when the consequence is the suffering of innocent children? It is hard to avoid some such conclusions, once one has started down this path. Professor Solow does not address these questions, but his argument raises them, and they should be addressed.

So, a line of argument that began with the idea that everyone has to pull his own weight (or, in Phil Gramm's colorful and candid version: "It's time for those riding in the wagon to get out and help the rest of us push") ends with a five-year lifetime limit on receipt of federal income support for what appears to be millions of indigent families incapable of supporting themselves. This does not look like progress to me, unless you believe that enforcing this regime will set in motion a chain of forces that ultimately reduces dramatically the number of families in this position. So far as I can see, there is no reason to believe that, though only time will tell.

PROFESSOR Solow observed in his first lecture that a concern for human values could not do without economics. By this he meant that, where there are choices to be made among competing ends embodying conflicting values, an assessment of actual alternatives before us (as opposed to the ones we might wish we faced) is a prerequisite to genuinely moral action. For only by acknowledging the conflicts and constraints as they are will we be led to doing the work of moral reflection that must be done. The frequent making of this prototypical economist's observation is what has earned our profession the reputation of

being the "dismal science." Yet the observation is a tautology: whatever course of action is ultimately undertaken must inevitably be constrained by the limitations of resources and information of the sort with which economics is concerned.

Yet, this tautology has a limited range of application. It does not apply, I believe, to the products of our imaginations, including our political imaginations. Indeed and perversely, if we think only about what appears to be politically feasible at a point in time, we may limit our ability to conceive of something genuinely fresh and new. I think that something like this may be the case in this area of social policy. This is why I want to think about more than the "work" question in this discussion.

The Social Security Act of 1935 was a great achievement, creating the system of income support for the elderly which is today universally embraced, across the political spectrum, as a bedrock public commitment. The 1935 act also created the federal program of assistance to families with dependent children which we commonly call welfare, and which was dramatically altered by the welfare reform legislation signed into law by President Clinton in 1996. That legislation ended the federal entitlement to assistance that poor, single-parent families had enjoyed for over sixty years. In this context, a particularly sharp issue—which must be raised here—involves the poorest of the poor, the so-called "underclass." To speak plainly and directly, I do not believe that the progressive spirit of the New Deal, as reflected in the social democratic policy arguments of many on the Left today when addressing the problem of the underclass, remains adequate in the face of the profound difficulties that we face in this area. I

think those arguments need to be modified, if the objective of incorporating the socially marginalized more fully into the body politic—an objective that I share—is to be achieved.

There is a progressive "story" about the underclass that has gained wide currency. This story is reflected in the work of distinguished sociologist William Julius Wilson, whom Professor Solow has mentioned more than once during these lectures. In his new and important book, *When Work Disappears*, Wilson claims that the absence of "good jobs at good wages" in the central cities has precipitated the social collapse to be observed there; and that, until employment opportunities are restored through concerted government action, the tragic, pathological disintegration will continue apace. I want to question these claims, particularly the notion that the root cause of behavioral pathology in the ghettos is the disappearance of work. In this way, I want further to support my view that "work" is too narrow a lens through which to view the problem of what to do about the welfare population.

It is, of course, true that attachment to the workforce is extraordinarily low among residents of inner-city ghettos. It is also true that their attachments to marriage, school, and law-abidingness are extremely low, as well. Which is cause, and which effect? I do not know the answer to this question, and neither, it seems to me, does Professor Wilson, Professor Solow, or anyone else. The leading alternative explanations of the underclass problem are the incentive effects of transfer policies, and the autonomous influences of ghetto culture. Although I do not believe that the incentive effects of welfare have caused the growth of single parenthood, joblessness, and criminal participation

in inner-city neighborhoods, I am not nearly so certain that the self-destructive patterns of behavior among successive generations of ghetto youths, reinforced by cultural changes throughout American society, and certainly not helped by the lack of economic opportunity, have not taken on a life of their own, substantially independent of economic trends. As such, it is unclear that the provision of (even well-supported) work opportunities will suffice to resolve these difficulties.

Here is the problem: too many young ghetto dwellers are unfit for work. They lack the traits of temperament, character, and intellect to function effectively in the workplace. They have not been socialized within families from the earliest ages to delay gratification, to exercise self-control, to communicate effectively, to embrace their responsibilities, and even in some cases to feel empathy for their fellows. These deficits are not genetic; but they are certainly exacerbated by racial and class segregation in this society, they obviously reflect the disadvantages of being born into societal backwaters, and they should elicit a sympathetic response from the rest of society. They are nevertheless deficits, deep and profound, and they may not be easily reversible with jobs programs of any kind.

Let me observe here that the opposition that some are inclined to raise in this context between structural explanations of social pathology, on the one hand, and individualistic explanations on the other is, in my opinion, a false dichotomy, a red herring, a canard. To be the only young male in a housing project environment who carries books home from school, marries the girl he gets pregnant, and works for "chump change" at a fast-food franchise, an individual would have to behave heroically. We cannot ex-

pect heroism as the norm. Thus, to point a finger at the individual in that circumstance who fails to measure up to our expectations, and to condemn that individual as "immoral," is callous and is itself an immoral stance. The individual is, of course, constrained by the structure in which he is imbedded. On the other hand, to ignore the extent to which environments of this sort foster patterns of behavior that are morally problematic (and also inefficacious) is to make a serious mistake, as well.

I doubt that Professor Solow would disagree with me on these points, though I am not sure about that. (We shall find out soon enough.) But, let me push this point a bit further: there is good reason to doubt that the provision of WPA-style public jobs, as Wilson advocates, or jobs oriented toward developing skills useful in the service sector, as Professor Solow advocates, will reverse the disintegration of the black family, drive crack from the ghettos or, for that matter, transform the negative attitudes toward work and responsibility that Wilson himself documents, in the quotations he presents from both young black men and their prospective employers in the first part of his book. And, if you think you can solve the ghetto problem by dealing only with women on welfare and their children, you need to think again. It is just possible that more, much more, will be needed to reverse the tragic disintegration of social life in the urban ghettos. It may be that social policy, by itself, is not capable of eradicating deeply entrenched patterns of child rearing and social interaction that pass on personal incapacity—criminal violence, promiscuous sexuality, early unwed childbearing, academic failure—from one generation to the next. It is imaginable, is it not, that the moral life of the hard core

urban poor will have to be transformed before some of these most marginalized souls will be able to seize such opportunity as may exist.

One can surely understand why an economist whose focus is on employment issues might hesitate to make this point. But it would be too bad if, at a convocation of the University Center for Human Values, we were to leave without having considered the point at all.