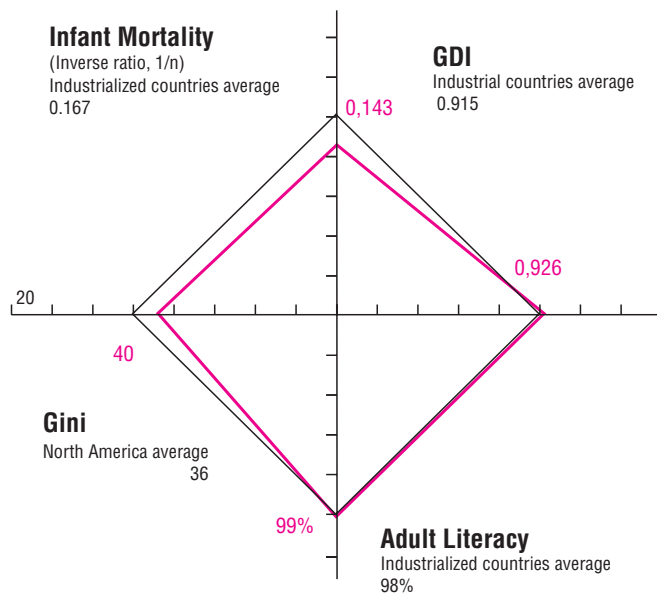


• SHARON LADIN



The Equity Diamond: National values in terracotta compared to regional ones in blue.
 Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*; **Adult literacy:** UNICEF, *The State of the World's Children, 1998*; **GDI** (Gender Development index): UNDP, *Human Development Report 1998*; **GINI:** World Bank, *World Development indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).

Few analysts doubt that the economic transformation taking place in the country has created enormous opportunities for those in a position to take advantage of them and has brought greater material benefits to the average consumer than was thought possible twenty

WHAT'S WRONG WITH THIS PICTURE?

years ago. But the longest economic expansion in US history has not, thus far, brought greater equality of opportunity or increased social integration. Unlike during previous periods of expansion, in this period the widening gap between rich and poor has further divided the nation by thinning the ranks of the middle class and limiting the social mobility of lower income wage earners. Despite many positive economic indicators, US society has moved backwards in the last decades of the twentieth century regarding some of the key social objectives of the Copenhagen Declaration.

Unemployment is down, wages are up, and the number of families in state welfare programmes has been declining since new social welfare legislation came into effect in 1996. The media, for the most part, insistently promotes this «happy story», but as one well-known analyst said, this is a story which «begs to be disentangled».¹ Volunteers and non-governmental agencies are working overtime in food banks and homeless shelters across the country, and almost two million people are in prisons and detention centres. **Government social policies may have done less to eradicate poverty than to render it invisible.**

Nearly a third of the US population in 1998 was near or below the federal poverty line.² One per cent of the US population now controls over a third of the wealth, and the next ten per cent controls another third, so it is not surprising that the poor and the near-poor do not have much visibility. Even less visible is the subpopulation referred to since the 1960s as the «underclass», which is composed of households that have been persistently poor for decades.

1 Charles Murray. «And Now for the Bad News». *The Wall Street Journal*, 2 February 2nd 1999.
 2 Steve Suppan. «United States». *Social Watch* No. 3, 1999, 204–207.

THE UNDERCLASS

The US crime rate has been falling for the past seven years.³ The Clinton administration and law enforcement experts argue that this demonstrates the success of tough crime policies. The crime rate is also falling, however, because «we're incarcerating an entire generation of people.»⁴ A tendency to use the criminal justice system as a substitute for social problem-solving has contributed to an eightfold increase since the 1960s in the number of black men in US prisons. According to the US Justice Department, by the year 2000 about one in 10 black men will be in prison—a statistic with major social implications, because prisoners don't have jobs, pay taxes, or care for their children at home. And because many states bar felons from voting, at least one in 7 black men will have lost the right to vote.»⁵

An updated study, from one first commissioned by President Lyndon Johnson in 1968, concluded recently that misguided hard-line social policies, such as harsh prison sentences for non-violent drug offenders, have «come at the expense of long-term solutions such as early intervention programs for troubled youth, job training and drug rehabilitation programs.»⁶

Despite falling crime rates, white criminality has increased over the past decade and become more violent.⁷ It is no longer possible, if it ever was, to view the social implications of a disaffected underclass as a «black» or minority problem. The proportion of young black males who have dropped out of the labour market is still higher than it is for white youth, but since 1990 the proportional increase is concentrated among white teenagers.⁸ High demand for both skilled and unskilled workers has not affected the increases in US youth who are dropping out of the workforce. Increasing income inequality and perceived lack of social mobility may lead to greater social disruption in the next decades than the persistence of poverty itself.

WELFARE REFORM

The Personal Responsibility and Work Opportunity Reconciliation Act signed into law by President Clinton in August 1996 has been labelled by Republican Congressional leaders and

others as «one of the most successful pieces of social legislation in American history.»⁹ As its name suggests, the Act was intended to end the cycle of poverty and dependency that many feel has promoted the disintegration of the basic values of work and family over several generations of welfare recipients. The new legislation transferred responsibility for alleviating poverty from the federal government to individual states.¹⁰

Under the new welfare provisions, states must pay for any expenditure above a fixed amount they receive from the federal government. Moreover, if states cut benefits or limit eligibility they are generally able to keep any federal money they save. Critics contend that this has negatively affected single mothers and contributed to the establishment of inadequate, highly restrictive welfare to work programmes.¹¹

The evidence is inconclusive at this point. Studies indicate that some states have managed to design programmes that provide legitimate job training for parents and protect families at the same time. Many others have established programmes that result in great hardship and even violate basic human rights.¹² One of the most egregious violations has to do with forcing young women out of college and into work programmes that do not lead to skilled employment. Problems like this have been denounced often enough to justify the claim that welfare 'reform' has simply moved people off the welfare roles and out of sight—but not out of poverty.

In May of 1999 the director of the White House Domestic Policy Council said that «there has definitely been a dramatic increase in the number of single parents entering the work force over the past five years.»¹³ This is more good news that needs disentangling, because a significant percentage of the people who leave welfare for work earn wages that are well below the poverty line.

Peter Edelman, who resigned as Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services to protest the 1996 welfare law, says «... the real issue isn't welfare. It's poverty. And it's not just poverty, it's the situation of millions of people who don't earn enough to support their families. In fact, approximately two million people in the US work full time and still can't get their families out of poverty.»

Watchdog groups such as the Children's Defense Fund (CDF) insist that the working poor need affordable child care, transportation, food aid and job training so that they can move

³ «New Crime Report Blasts US Policies». The Saint Paul Pioneer Press, St. Paul, MN, USA, December 6th 1999.

⁴ Laurie Levenson, associate dean of Loyola Law School, Los Angeles, in «New Crime Report». *op.cit.*

⁵ From a *Boston Globe* article, reprinted as «Increase in Black Inmates 'Staggering,'» by the *Star Tribune*, Minneapolis, March 2nd 1999.

⁶ «New Crime Report», *op.cit.*

⁷ Charles Murray, *op.cit.*

⁸ *ibid.*

⁹ Christopher Jencks. «The Hidden Paradox of Welfare Reform». *The American Prospect* No.32, May–June 1997.

¹⁰ Jencks, *op.cit.*

¹¹ *ibid.*

¹² See Peter Edelman, «Clinton's Cosmetic Poverty Tour.» *The New York Times*, July 8th 1999.

¹³ Quoted in the *Washington Post* and reprinted in the Minneapolis *Star Tribune*, May 27th 1999.

up to better paying jobs. To move people out of poverty and into the mainstream, «...[w]e have to make sure that work pays.»¹⁴

MAKING CHILDREN A PRIORITY

The number of extremely poor children in single mother families –the group most affected by the 1996 welfare reform– increased 26% between 1996 and 1997,¹⁵ an increase attributed mainly to the loss of food stamps, child care, training and other work supports. **A government population survey for 1997 indicated that 11.3 million children under the age of 18 did not have health insurance, the largest number ever reported by the US Census Bureau.**¹⁶ Children without dependable access to health care are susceptible to various hindrances, such as undiagnosed problems with vision, hearing or the like, that make them 25% more likely to miss school than children who have health insurance.¹⁷ The many hazards of child poverty can result in lifelong economic and social consequences that are far more expensive than a strong public investment in early intervention programs that protect children and promote their physical and intellectual development.

EDUCATION AND EQUAL OPPORTUNITY

A «tightening nexus between education, equal opportunity, and worrisome levels of poverty»¹⁸ characterises the US economy. The wages of less educated workers have declined sharply in the US since the late 1970s, and in the future, «those on the wrong side of the educational divide will find it harder to climb from low income to high income.»¹⁹

Roughly half of all US seventeen year olds read below a 9th grade (secondary school begins at grade 9 or 10) level. Inconsistencies in economic and social policy resulting in insufficient investment in the education and training of the educationally disadvantaged need to be addressed urgently. Violations of the right to education and the right to work, which includes training, have lifetime as well as intergenerational economic and social consequences. Like welfare, public education is a state responsibility in the US, although it should be an urgent national priority.

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¹⁴ Marion Wright Edelman, President, Children's Defense Fund (CDF). CDF News Release, September 30th 1999.

¹⁵ Children's Defense Fund. Press release. August 22nd 1999.

¹⁶ Bureau of the Census. March 1997 Current Population Survey, reported in «Key Facts about Uninsured Children», March 14th 1998, Children's Defense Fund, <http://www.childrensdefense.org/health_key_facts>.

¹⁷ *Ibid.*

¹⁸ Frank Levy. «Rhetoric and Reality: Making Sense of the Income Gap Debate». *Harvard Business Review*, September–October 1999.

¹⁹ *Ibid.*