Loss of support for guaranteed income reflects radical shift in values

Original Reporting | By Mike Alberti, Kevin C. Brown | Alternative models, History

April 24, 2013 — Imagine this headline: “House of Representatives approves proposal for guaranteed annual income by wide margin.” The passage of that kind of social welfare measure sounds wholly implausible today, but, in fact, the House did pass such a bill in April of 1970 by a vote of 243 to 155. The measure, The New York Times reported, “establishes for the first time the principle that the Government should guarantee every family a minimum annual income.”

What allowed for GAI to be considered seriously by both Republicans and Democrats in the late-1960s and early 1970s? Why would the chances for a GAI proposal be so bleak today? And why are the answers to these questions critical to the outcome of virtually every other domestic public policy issue that exists today?

The story did not ultimately have a happy ending for advocates of guaranteed annual income (“GAI”) — the bill died in the Senate. But the fact that it received serious support and consideration in mainstream political circles is a testament to how radically the bounds of political debate have shifted since that time, and raises several crucial questions:

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In the course of weeks of reporting — both through interviews and an exploration of the documentary record — Remapping Debate found that GAI proposals were given room to breathe in a social and political environment that took seriously the values of citizenship and mutual obligation, and that accepted the fact that social problems could be — indeed, should be — solved by governments.

That environment has disappeared, due in large measure, we found, to the rise of “market thinking,” a mindset that subordinated — and, in some respects, supplanted altogether — the values of citizenship and mutual obligation.

On both sides of the aisle, the voices describing unfettered market relations as a virtuous and unstoppable force to which the citizenry had to adapt and submit (as with globalization) grew ever louder. Ultimately, these market devotees drowned out those who continued to believe that government has a vital role to play and that markets do not on their own reflect and honor a broad range of important social values.
The first part of this article examines the flowering of GAI proposals and the environment within which that process occurred. Jump to that history. This second part consists of a detailed exploration of the changes in dominant values that have effectively foreclosed not only the GAI, but other measures premised on the idea that Americans have a duty to care for one another.

The erosion of mutual obligation

Though each of the various groups and individuals who supported guaranteed annual income (GAI) proposals in the 1960s and 1970s had a different justification for doing so, at the most basic level the proposals were all rooted in a sense that the broader society had a duty to eradicate poverty.

That mindset — shared by both liberals and conservatives — is apparent in President Richard Nixon’s first inaugural speech in 1969. “Until he has been part of a cause larger than himself, no man is truly whole,” Nixon said. “To go forward at all is to go forward together.”

Advocates of a GAI made frequent appeals to this sense of solidarity and mutual obligation. In 1970, for example, Senator Charles Goodell (R-N.Y.), in proposing a more generous alternative to Nixon’s Family Assistance Plan, promised “to fight to ensure that never again will Americans go hungry because their country has refused to treat them as its own.”

“This decade, this year, this session of Congress is the time to decide whether we can in conscience allow children to wear rags in a land of riches,” Goodell said. “This is the time to affirm in action, not recite in rhetoric, that it is indeed our sacred duty to be our brother’s keeper.”

But since the 1970s “there has been an unraveling of obligations in every sphere,” said Daniel Rodgers, a professor of history at Princeton University and the author of “Age of Fracture,” which chronicles the shifts that occurred in American ideas in the 1970s and 1980s. “That assumption that society has social obligations to its members is basically gone.”

The shift in ideologies can be seen in the stark difference between the rhetoric Nixon used in his inauguration speech and that which Ronald Reagan deployed nearly 20 years later. In a message to Congress titled “A Union of Individuals,” Reagan articulated his vision of the replacement of social responsibility with individual responsibility, “a vision of a free and self-reliant people, taking responsibility for its own welfare and progress through such time-tested means as individual initiative, neighborhood and community cooperation, and local and State self-government.”
“The return of responsibility and authority to the individual American is now leading to a virtual renaissance in America of liberty, productivity, prosperity, and self-esteem,” Reagan asserted.

Rodgers attributed the shift from social to individual obligation, in part, to a broader fragmentation of social identity. Americans, he said, used to feel more rooted in the wider groups and communities to which they belonged than they do today.

“People took great pride in belonging to a larger social group,” he said. Today, however, “people tend more to imagine themselves as social beings by choosing [narrower] groups that look like them and that match their values.”

According to “market thinking,” said Daniel Rodgers of Princeton, “not having a job or being poor becomes the fault of the individual. And once blame gets into the equation, everything about moral obligation tends to unravel.”

Jason Murphy, an assistant professor of philosophy at Elms College who has studied the history of GAI proposals, agreed.

“You might hear people say that we have an obligation to take care of every person in society,” Murphy said, “but often when they say ‘everybody’ they have an image in their mind that does not actually include everybody, just them and people that look like them.”

A consequence of that attitude, Murphy went on, is that people who are not poor do not think of those Americans who are as being a group that can make legitimate claims on the broader society.

Rodgers also attributed the devaluing of obligations to the poor to the growing dominance of “market values,” or values based on the ever-more ingrained belief that the market is infallible and will, if left to its own devices, invariably produce the most desirable outcomes.

“When you’ve got this idea of the perfectly free and efficient market, there’s a sense that there should be no reason why somebody who wants to work shouldn’t be able to find a job,” Rodgers said. “There are no other obstacles except for the individual’s desire to work and willingness to get paid the going rate.”

According to that logic, “not having a job or being poor becomes the fault of the individual,” he said. “And once blame gets into the equation and one begins to blame the poor for their poverty, everything about moral obligation tends to unravel.”

**Dividing the “deserving” poor from the “undeserving” poor**

Michael A. Lewis, an associate professor of social work at Hunter College and an advocate for a GAI, readily acknowledges that the current political and social environment has become much less conducive to the idea of a GAI than what had existed 40 years ago.
One reason, Lewis, said, is that Americans have become increasingly invested in the idea that individuals should be required to work in the labor market in order to receive benefits. “We are more invested than ever in the idea that the able-bodied poor have an obligation to work in order to get anything from us,” Lewis said.

While he pointed out that the obligation to work has long had a prominent place in American values, Lewis also said that the rise of market values added to the feeling that, if an individual was not working in the formal labor market, the circumstance was a result of a personal failing, and that he or she should not be seen as a productive or valuable member of society.

Michael Katz, professor of history at the University of Pennsylvania agreed, and as an illustration pointed to the current conservative meme of dividing the population between the “makers” — those who work and pay taxes — from the “takers” — those who receive government benefits. In 2010, Congressman and eventual Vice Presidential candidate Paul Ryan (R-Wis.) was one of many Republicans who invoked this meme explicitly.

“Right now about 60 percent of the American people get more benefits in dollar value from the federal government than they pay back in taxes,” Ryan said in an interview. “So we’re going to a majority of takers versus makers.”

The “you didn’t build that” controversy

Marisa Chappell, a professor of history at Oregon State University, agreed that “market thinking” tends to eliminate history and social context from the question of what obligations people have to one another, and added that this lack of context permeates the prevailing sense of “who deserves what” when applied to the rich as well as the poor.

“In the same way that the poor are thought of as being responsible for their economic problems, the rich are understood as being completely responsible for their wealth,” Chappell said. “The sense that their success depends in part on the broader society” — a sense, she said, that was much more resonant in the 1960s and 1970s — “is gone.”

A consequence of market thinking, she went on, is that those who are successful are not thought of as owning anything to the broader society. Chappell pointed to the controversy that ensued last summer when, in a campaign speech, President Obama suggested that successful individuals would not have succeeded without the broader social goods they have benefited from, and that, therefore, they may owe something back to society.

“If you were successful, somebody along the line gave you some help,” Obama had said. “There was a great teacher somewhere in your life. Somebody helped to create this unbelievable American system that we have that allowed you to thrive. Somebody invested in roads and bridges. If you’ve got a business — you didn’t build that. Somebody else made that happen.”

Republicans quickly seized on Obama’s comments, criticizing the President for suggesting that successful individuals did not deserve all of the credit for the success. A week after Obama’s speech, Republican Presidential candidate Mitt Romney excoriated Obama:

To say that Steve Jobs didn’t build Apple, that Henry Ford didn’t build Ford Motors, that Papa John didn’t build Papa John’s Pizza …To say something like that, it’s not just foolishness. It’s insulting to every entrepreneur, every innovator in America.
That kind of rhetoric, Katz said, effectively “represents an elevation of the idea that some people, on account of [their lack of] participation in the labor market, are worth less than other human beings.”

The contrast couldn’t be stronger with the thinking that animated the GAI proposals of the 1960s and 1970s, proposals rooted, in the 1970 words of Senator Fred Harris (D-Okla.), in the belief in “the dignity and value and worth of every human life.”

**President Clinton and the “undeserving” poor**

Many scholars Remapping Debate spoke with pointed to the 1996 reforms of the welfare system by President Clinton as the fullest realization of the idea that society did not owe an obligation to those citizens who were physically able to be employed but were not. The reforms replaced the previously existing Aid to Families with Dependent Children program, which had relatively weak work requirements, with the Temporary Assistance to Needy Families program, which has very strict work requirements.

In a 1995 letter to Congressional leaders pushing the reform, Clinton said nothing about the obstacles that might prevent individuals from obtaining jobs. Instead, he placed great emphasis on his belief that every individual has an obligation to work:

> Finally, welfare reform must be about responsibility. Individuals have a responsibility to work in return for the help they receive. The days of something for nothing are over. It is time to make welfare a second chance, and responsibility a way of life.

**Market worship**

Alice O’Connor, a professor of history at the University of California, Santa Barbara (UCSB), said that the rise of a market-centric world view has displaced other values in America to such an extent that it is now often accepted that the broader society has an obligation not to give assistance to the poor or disadvantaged.

“The idea is that there are these market forces out there that, if left alone, will produce the best outcomes,” she said. “Everything you do that interferes with those forces is considered a distortion, so an obligation develops to get out of [the market’s] way.”

Fred Block, professor of sociology at the University California, Davis explained that, when applied to policies intended to aid the poor, the logic that there is an obligation not to interfere with the market gave rise to an idea called the “perversity thesis,” which states that by giving benefits to the poor, the government is interfering with the “market signals” that are telling them to work.
“The underlying logic is that if we interfere with those signals [by giving people benefits],” Block said, “they will stop being able to operate as people should in a market society, which is by listening to and responding to the signals of the market.”

That perspective was a cornerstone of President Reagan’s thinking about welfare. “It is a fact of American life that many Federal programs, while attempting to help the poor, have made them more dependent on the government,” Reagan said. The solution, he said, was to remove the distorting effects of government intervention on market signals by “making work and self-sufficiency more attractive than welfare.”

Six years later, President Clinton had adopted the same rhetoric when advocating welfare reform. “We cannot permit millions and millions and millions of American children to be trapped in a cycle of dependency…with parents who are trapped in a system that doesn’t develop their human capacity to live up to the fullest of their God-given abilities,” he said. In that speech, Clinton makes it clear that removing the “obstacles” to self-sufficiency was an obligation, a duty that “we owe…to the next generation.”

“So now instead of saying, ‘We have an obligation to support the poor,’ we’re saying, ‘We have an obligation to let the poor take care of themselves,’” said Fred Block of the University of California, Davis. “That’s about as different as it gets.”

Social citizenship

Several scholars pointed out that, in the last 50 years, Americans’ understanding of what it means to be a citizen has changed dramatically, as well, and that these changes also spurred the decline of GAI as a mainstream policy possibility.

According to Alice O’Connor of UCSB, many proponents of GAI in the 1960s and 1970s were drawing on an idea of citizenship that sprang, in part, from how citizenship had been defined in the New Deal era of the 1930s and 1940s, particularly the idea that full citizenship entails not only political and civic rights but also economic security.

O’Connor explained that the massive economic hardship that was experienced during the Great Depression gave rise to a widespread sense that, when individuals are struggling to make ends meet, it will be much more difficult for them to exercise their political and civil rights and to fulfill their social obligations. Additionally, she said, an understanding developed that being unable to participate actively in one’s community and to feel included in that community — whether by attending social events or by purchasing new clothing for children at the beginning of a school year — because of economic deprivation constituted a form of “disenfranchisement” in itself.
That sense of social and economic disenfranchisement — the understanding that economic security was a prerequisite for full civic and social participation — gave rise to a conception of citizenship in which economic rights were inseparable from civil and political rights.

“The idea of full economic citizenship was an underlying rationale for a very broad range of advocacy and a justification for social policy,” O’Connor said.

O’Connor pointed to the “Economic Bill of Rights,” proposed by President Roosevelt during his State of the Union Address in 1944 as an illustration of the idea that full citizenship depended not only on having civil and political rights and obligations, but also on having the means to exercise those rights and fulfill those obligations. In that speech, Roosevelt argued that the political rights guaranteed by the Constitution had “proved inadequate to assure us all equality in the pursuit of happiness.”

“We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence,” Roosevelt said.

The idea that full citizenship entailed economic rights as well as civic and political rights was more fully articulated by the British sociologist T.H. Marshall in his 1949 essay, “Citizenship and Social Class,” in which he argued that “a modicum of economic security and welfare” is necessary to have the time and the means to enable full participation in society and the civic community.

While proponents of GAI in the 1960s did not draw explicitly on Marshall’s argument, O’Connor said that, in many ways, their arguments followed the same logic that the rights of citizenship entailed some measure of economic security.

Martha McCluskey, a professor of law at the State University of New York at Buffalo (SUNY Buffalo), pointed out that the arguments for a guarantee of basic economic security being made in the 1960s by the civil rights and welfare rights movements — both of which supported the idea of a GAI — relied on the assumption that achieving full citizenship required not only gaining civil and political rights, but also gaining the economic security that is necessary to participate fully in both one’s local community and the broader civil sphere.
“There was the implicit argument that you couldn’t separate civil and political rights from economic rights,” McCluskey said.

When South Dakota Senator (and later presidential candidate) George McGovern introduced a version of GAI on the floor of the Senate in 1970, he invoked both the idea that Americans have mutual obligations to each other and the idea of active social citizenship. Adopting a GAI policy, he said, would be a move toward “insuring each of our citizens against the risk of poverty and doing so simply because we believe that this kind of minimal financial security should be a right of citizenship in our country.”

According to Daniel Rodgers of Princeton, the idea of active citizenship was a key element behind pro-GAI arguments.

In 1971, for example, Representative William J. Green III (D-Pa.), made an explicit appeal to this idea.

“Perhaps programs to guarantee an income will, after a period of years, translate into new forms of social awareness and an increased participation in the political life of the nation,” said Representative William J. Green III (D-Pa.) in 1971.

Rodgers said that, since the 1970s, the prevailing American concept of citizenship has come to de-emphasize participation and obligation. “Today I think we tend to think of citizenship in terms of individual rights and immunities, rather than social obligations,” Rodgers said.

Linda Gordon, a professor of history at New York University, cited the widespread impulse to describe the paying of taxes as an imposition on individual freedom as an example of citizenship viewed through the lens of individual rights, instead of collective obligations.

“That civic obligations like paying taxes and serving on juries are seen as burdens and infringements on individual liberty, rather than as privileges of citizenship and part of what it means to participate in democracy I think shows how underdeveloped our sense of citizenship has become,” Gordon said.

When the value placed on participation and mutual obligation declined, said Erik Olin Wright, a professor of sociology at the University of Wisconsin-Madison, “you saw a transformation of the citizen into a client or a consumer of state services,” which represented “a fundamental erosion of the richness of citizenship and of what it means to live in a society.”
What role for government?

Marisa Chappell, an associate professor of history at Oregon State University, said that one of the differences between the social climate from which the arguments for a GAI arose in the 1960s and 1970s and the dominant ethos today is that there used to be a widespread belief that the government had a role to play in solving problems.

“Poverty was seen as a social problem, not an individual problem,” she said, “and so it demanded a government solution.”

The 1969 report of the President’s Commission on Income Maintenance Programs, which recommended that the United States adopt a GAI, argued that a central federal role was necessary and would be effective: “the Commission feels strongly that the problem of poverty must be dealt with by the Federal Government. It is possible to assure basic economic security for all Americans within the framework of existing political and economic institutions. It is time to construct a system which will provide that security.”

By the 1980s and 1990s, however, belief in both the need to assure the welfare of markets and in the ability of unfettered markets to secure the welfare of the nation was strongly ascendant.

Whereas the market previously had been seen as being under the control of the government and in service to citizens said Martha McCluskey of SUNY Buffalo, the increasing influence of market-centric thinking yielded the subordination of the role of the state.

“Nobody ever says this explicitly, but the underlying assumption of the vision of the free market society is that the purpose of government is to serve these ‘market forces,’” she said. “Instead of being accountable to its citizens, it becomes accountable to the market.”

During the Clinton Administration, for example, U.S. policy regarding globalization was frequently framed in terms of making citizens adapt to that phenomenon and not vice versa.

In his famous “New Covenant” speeches given at Georgetown University in 1991 while he was laying the groundwork for the run for the presidency, Clinton expressed an idea that would remain central to his governing philosophy: that because globalization was, in his mind, an inevitable process, the only choice for the United States was to “organize to compete and win” in the new global economy. “Protectionism,” Clinton said, was “just a fancy word for giving up.”
In a speech in 1994, a year after signing the North American Free Trade Agreement (NAFTA), Clinton again invoked the supposed inevitability of globalization and the necessity of adaptation. “Even as we speak and meet here, powerful forces are shaking and remaking the world,” Clinton said. “That is the central fact of our time. It is up to us to understand those forces and respond in the proper way so that every man and woman within our reach, every boy and girl, can live to the fullest of their God-given capacities.”

As an illustration of the continuing desire to serve market forces, McCluskey pointed to Obama-era calls for austerity, appeals that are frequently justified by reference to what would please the bond market.

“There’s not a general feeling that the government is us and is here to serve us,” said Marisa Chappell of Oregon State University.

When the credit rating agency Standard and Poor’s (S&P) downgraded the rating of U.S. Treasury bonds in 2011, there were widespread efforts to “reassure the markets” that the government would cut spending. In the response of one Treasury Department official at the time, it was taken as a given that policy makers would respond to the pressures of the market.

“S.& P.’s negative outlook underestimates the ability of America’s leaders to come together to address the difficult fiscal challenges facing the nation,” the official said.

Alice O’Connor of UCSB explained that when the primary goal of elected officials is seen as serving the interests of the market instead of the interests of citizens, arguments for policies such as a GAI that appeal to the broader social good carry less weight.

Additionally, O’Connor said, as the perception has grown that the market provides for the public good, more policy makers appear to believe that the role for government should shrink. That, too, makes it more difficult to justify policies — like a guaranteed income — that would require a central role for the federal government, she said.

“If you’ve bought into the notion that the market is the only thing that is going to produce welfare, what role is there for the government?” O’Connor said.

That ideology was clearly on display in 2002 when President George W. Bush gave a speech honoring the conservative economist Milton Friedman. What Bush had learned from Friedman, he said, was that “[i]n contrast to the free market’s invisible hand, which improves the lives of people, the government’s invisible foot tramples on people’s hopes and destroys their dreams.”
Invisible benefits

One reason for this shift in ideology, according to Linda Gordon of New York University, is that while the benefits that people received from the government were very visible during the New Deal era, they became increasingly opaque over time, in part by implementing an increasing amount of social policy through the tax code. The result, she said, is that “much of the so-called welfare state is invisible to the people that receive its benefits. When we have a harder time saying, ‘Look, this is what the government does,’ we have a harder time asking, ‘What else should it do?’”

According to Chappell, another result of the invisibility of government benefits, is that instead of being understood as a collective enterprise of citizens, the government has increasingly been seen as something “foreign” or “separate” from citizens. “There’s not a general feeling that the government is us and is here to serve us,” she said.

Chappell pointed to a widely-publicized remark by a protester in 2009 that said, “Take your government hands off my Medicare!”

That rhetoric contrasts starkly with the vision of government that President Johnson put forward in a campaign speech in 1964.

“And when we say as a Nation ‘In God We Trust,’ this doesn’t mean everybody for himself and the devil takes the hindmost,” Johnson said.

“Government is not the end of people,” he continued. “Government, prudent government, responsible government, is the people, and that is what this election is all about, the responsibility of people, acting together, to keep prosperity here at home.”

The widespread support for GAI proposals in the 1960s and 1970s depended on the broadly shared perception that the government existed to serve the interests of citizens.

But, McCluskey said, the sense of the government as being a foreign entity and the sense of the market as being a natural, inviolable force have created the perception that, “no matter how good our intentions are, it would be futile to try and control the market or shape it in any way.”

“That’s an unbelievably disempowering way of thinking,” she added.
Gordon agreed. “That disempowerment is a huge obstacle to proposing something like a guaranteed income today,” she said. “It would require that people admit that the market is failing to produce the best outcomes, and then also to admit that the problem of poverty requires a collective solution. That's a pretty heavy load.”

**Justice for all**

In calling for a guaranteed income, advocates in the 1960s and 1970s frequently appealed to the widespread sense that there was something “unjust” about the presence of poverty in a rich society.

For example, the “Freedom Budget” proposed by the civil rights and labor leader A. Philip Randolph in 1966 demanded a GAI because of “the inescapable fact that an economy as rich and powerful as ours cannot countenance widespread deprivation, much less widespread poverty.”

“One thought about justice in terms of the broader community,” Daniel Rodgers of Princeton said. “There was a sense that a just society would produce at least a measure of dignity for every member, so one also talked about justice in terms of equality.”

In 1970, Democratic Oklahoma Sen. Fred Harris made an appeal for a GAI by invoking the idea of a community based on justice and equality:

> We have been called repeatedly to provide a decent portion of the country’s immense bounty for all her people. As of now we have not answered. We have not yet committed ourselves to this basic human cause which will do more than anything else to eliminate alienation and division from our national community and to narrow the gap between what we say and what we do. Why have we passively accepted a caste of poverty-ridden citizens in the midst of the greatest national wealth in the world’s history?

With the erosion of social thinking and the fragmentation of social bonds, however, that understanding of justice as being rooted in the broader society gave way to an understanding of justice that is more concerned with ensuring that individual members of society are treated fairly.

“Now we think about trying to create a fair process instead of creating just outcomes,” Rodgers said. “We think of justice in terms of [individual] rights and immunities instead of in terms of social obligations.”

**What about history and power?**

In his State of the Union Address in 1964, President Johnson said that, “Poverty is a national problem, requiring improved national organization and support.”
But, O'Connor said, the rise of market-based ideology has encouraged the belief that whatever outcomes the market produces are inherently just.

“When you stop considering history and power, then it’s not a small jump to believing that everybody is entering the market on equal footing, and then it’s a small jump to saying that whatever comes out of the market is just,” she said.

In contrast to Johnson, McCluskey said, much of the rhetoric about poverty today is couched squarely in terms of individual responsibility. In a speech to the Conservative Political Action Conference in 2008, Republican Presidential candidate Mitt Romney invoked the “culture of dependency” that he perceived as arising from the social ethos of the 1960s.

“In the 1960s, there were welfare programs that created a culture of poverty in our country,” Romney said. He then went on to contrast his own view on the solution to poverty, which is framed squarely as an individual solution.

“Now, some people think we won that battle when we reformed welfare,” Romney said. “But the liberals haven’t given up. At every turn, they tried to substitute government largesse for individual responsibility.”

But advocates for “government largesse,” like the GAI advocates of the 1960s and 1970s, were not, according to Jason Murphy of Elms College, developing a newfangled “culture of dependency.” The belief that pronounced inequality is not reflective of a just society — and that there is a societal imperative to reduce it — is “an idea that goes back a long way in American political thought,” Murphy said. “It’s only in the last 30 years or so that we seem to have forgotten it.”

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