
REMAPPING DEBATE

Asking "Why" and "Why Not"

The rise and fall of guaranteed income

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.”

“[A] guaranteed annual income is not a privilege. It should be a right to which every American is entitled. No country as affluent as ours can allow any citizen...not to be able to have a life with dignity.”
— Rep. William F. Ryan (D-N.Y.), 1970

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:

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 those questions critical to the outcome of virtually every other domestic public policy issue that exists today?

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.

This article begins with an examination of the flowering of GAI proposals and the environment within which that process occurred. It continues with 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.

Providing basic economic security for all

To meet the challenge of “assur[ing] basic economic security for all Americans,” we need to make “cash payments to all members of the population with income needs.” So recommended a presidential commission in its 1969 report, “[Poverty Amid Plenty: The American Paradox](#).” A family of four, for example, would receive a base income of \$2,400 per year (\$15,182 in 2013 dollars), with continued support for earnings up to \$4,800 per year (\$30,365 in 2013 dollars). Commissioners saw this as a “practical program” that could be passed by Congress quickly. (They estimated that the bill for the program would run to \$6 billion a year, or \$37.9 billion in 2013 dollars, a sum they considered a “relatively low dollar cost.”) In the longer run, they recommended “that benefit levels be raised as rapidly as is practical and possible in the future.”

As to whether people should be required to work to receive this income, the commission said “no.” Though “any program which provides income without work may have some effect on labor force participation,” such disincentive effects would not be serious, they suggested. Moreover, to the extent that “secondary family workers” or the elderly reduced work effort, such changes “may be desirable.”

In sum, the President’s Commission proposed that the United States adopt a version of a “guaranteed annual income” (GAI) — a method of ensuring economic security and dignity by means of the Federal Government providing money to any individual or family whose income falls below a certain floor, irrespective of whether the circumstance occurred because of low wages, unemployment, prolonged illness, or disability. The commission came to this solution after concluding that forces beyond an individual’s control — not “some personal failing” — induced poverty. Thus, “the problem...must be dealt with by the Federal Government.”

The report’s solution may seem radical today, but it was part of a range of proposals in the 1960s and early 1970s that accepted the idea that a GAI would be an appropriate and effective way for the country to meet its obligations to citizens living in poverty. A year and a half earlier, in May 1968, over 1,000 university economists signed a letter supporting a GAI, and a similar proposal had also been floated by a panel of business leaders appointed by New York Governor Nelson Rockefeller.

“Among policy folks, academics, and activists... there was consensus across the political spectrum that [guaranteed annual income] was a pretty good idea.”
 — Brian Steensland,
 Indiana University

The commission that made the 1969 proposal wasn't even the first "President's Commission" to recommend a GAI: the 1968 report of the "National Advisory Commission on Civil Disorder" (the Kerner Commission) beat them to the punch. And the 1969 commission proposal came five months *after* the Nixon Administration released its own, smaller-scale GAI proposal. In 1970, President Nixon's version of a GAI passed the House of Representatives by a margin of 88 votes.

Though the specifics of such proposals — both in method of administration and level of support — differed considerably depending on the authors, "Among policy folks, academics, and activists...for a period of time there was consensus across the political spectrum that [GAI] was a pretty good idea," said Brian Steensland, associate professor of sociology at Indiana University and author of the book, "The Failed Welfare Revolution: America's Struggle over Guaranteed Income Policy."

Support from very different sources

During the 1940s, conservative economists Milton Friedman and George Stigler had laid out the principles for a "negative income tax" (NIT). Each proposed to trigger government subsidy of a household when that household's income dipped below a specified floor (the subsidy would have been designed to raise the household's income to that minimum level), but at the time, the proposals were largely ignored.



Dr. Martin Luther King, Jr. and President Lyndon Johnson meet in March 1966. King favored guaranteed income as a method for eliminating poverty.

Some on the other side of the political spectrum came to see a need for the GAI as well. In 1964, Michael Harrington, the socialist author of 1962's "The Other America," and other thinkers on the left wrote a letter to the President, Congress, and the Secretary of Labor arguing that, as automation continued to shrink the size of the workforce, income and work needed to be decoupled.

The "rediscovery" of poverty in U.S.— inspired in part by Harrington's book and acted on by President Lyndon Johnson's War on Poverty — helped make the GAI a mainstream proposal by the end of the decade, as did critiques of the "welfare mess" emanating from activists and politicians across the political

spectrum. (GAI was often synonymous with "welfare reform" during the Nixon years). Aid to Families with Dependent Children (AFDC), the program that had provided monetary subsistence mostly to single mothers with children was regarded as demeaning by many liberals due to its low benefit levels (which varied from state to state) and the fact that it reached no more than 30 percent of the poor. The same program alarmed conservatives because of its large bureaucracy, fears of creating a "dependent" welfare class, and concerns that the program's structure encouraged the breakup of two-parent families (AFDC made it more difficult for a two-parent household to get aid).

If support for a GAI benefited from concerns across the political spectrum over what were seen as undesirable effects of existing programs, “The energy certainly was on the left,” according to Marisa Chappell, an associate professor of history at Oregon State University and author of the book, “The War on Welfare: Family, Poverty, and Politics in Modern America.” It was, Chappell said, “a moment when we actually see massive social movements demanding [changes].”

For example, in a 1967 book, Martin Luther King, Jr., a central leader in the civil rights movement, wrote that “we are wasting and degrading human life by clinging to archaic thinking” in failing to implement a guaranteed income. “A host of widespread positive psychological changes inevitably will result from widespread economic security,” King concluded. “The dignity of the individual will flourish when...he has the assurance that his income is stable and certain, and when he knows that he has the means to seek self-improvement.”

Implicit in the arguments for the GAI during the late 1960s and early 1970s was the sense that poverty was a problem that was the responsibility of the broader society to solve. Senator Fred Harris (D-Okla.), for example, sponsored one “national basic income” bill, arguing as he introduced it in February 1970 that passage of a GAI would result in a “great moral dividend” for the nation. “It would allow us to feel,” Harris continued, “we are living more closely in line with the ideals we profess. We will more nearly be entitled to say that we believe in the dignity and value and worth of every human life.”

Harris’s sense that governmental solutions to social problems were both necessary and possible was not a minority position. Michael Katz, professor of history at the University of Pennsylvania and scholar of poverty and welfare in U.S. history, told *Remapping Debate*, “This was the era...when there were many new programs; where innovations in social policy that had seemed impossible had burst onto the scene and become plausible.” Citing the passage of Medicare and Medicaid (1965), the expansion of the food stamp program (1964), and the Fair Housing Act (1968), Katz characterized this historical moment as one where “the discussion of possibilities in social policy was much broader than it is today.”

The “possibilities” in social policy at the time indeed allowed ending poverty for all Americans seem, to Fred Harris, “not utopian.” The U.S. had already “made a strong beginning,” and Harris, the chairman of the Democratic National Committee from 1969 to 1970, said that the problem was only that “we have not carried our beginnings through their logical development.”

PUBLIC OPINION

The scope of the public support for guaranteed annual income is not clear.

A 1965 Gallup poll — conducted before the concept had widespread visibility — showed only 19 percent of respondents favoring the proposition that “instead of relief and welfare payments, the government should guarantee every family a minimum annual income.”

The month after President Nixon announced the Family Assistance Plan in September 1969, however, 51 percent of respondents to a Harris poll for *Life Magazine* favored the proposal for a “federally guaranteed minimum level of income, with a bottom of \$3,000 [2013: \$18,978] a year for a family of four.”

That same month, Harris also asked specifically about the Nixon Family Assistance Plan (with the \$1,600/year floor for a family of four): 79 percent of respondents favored it.

James Tobin, a former member of President Johnson’s Council of Economic Advisors who at the time was also a Yale professor, echoed this spirit in an article in *The New Republic* in 1967. Titled, “It Can Be Done! Conquering Poverty in the US by 1976,” Tobin argued for a GAI and believed that “if we seize the opportunity for a far-reaching reform, even at considerable budgetary cost, we can win the war on poverty by 1976.”

Guaranteed Annual Income legislation

In August 1969, in the eighth month of his presidency, Richard Nixon delivered a speech proposing the replacement of AFDC with a program that would benefit “the working poor, as well as the nonworking; to families with dependent children headed by a father, as well as those headed by a mother.” In case the point was missed, he continued: “What I am proposing is that the Federal Government build a foundation under the income of every American family with dependent children that cannot care for itself — and wherever in America that family may live.”



President Richard Nixon, pictured here months after he publicly proposed his “Family Assistance Plan,” in August 1969.

Guaranteed annual income had arrived. From the margins of economic thought just a generation earlier, the GAI was now at the heart of President Nixon’s domestic policy agenda in the form of the “Family Assistance Plan” (FAP).

Nixon himself refused to call the FAP a guaranteed annual income, saying that “a guaranteed income establishes a right [income] without any responsibilities [work] ... There is no reason why one person should be taxed so another can choose to live idly.” But, despite Nixon’s rhetorical distinction, many conservatives opposed the president’s plan for just those reasons: they worried not only about cost, but also about the creation of a large class of people dependent on “welfare.”

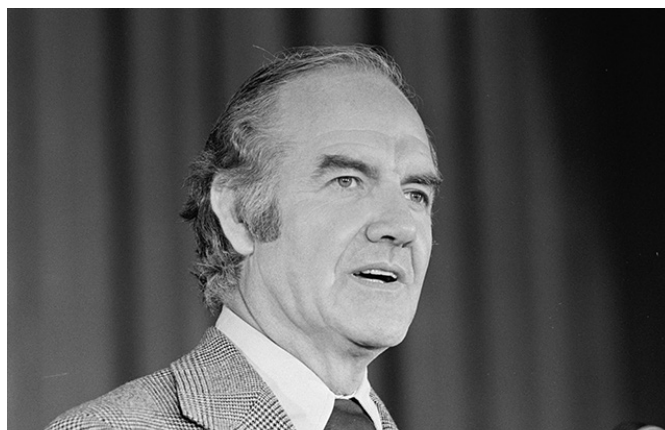
Rhetoric aside, the FAP was indeed a form of GAI. The President’s Commission certainly thought so, writing in their letter submitting “Poverty Amid Plenty” to Nixon, “We are pleased to note that the basic structure of the Family Assistance Program is similar to that of the program we have proposed... Both programs represent a marked departure from past principles and assumptions that have proven to be incorrect.”

Nixon’s FAP was very moderate: it only applied to families with children (childless couples and individuals were out of luck), included a work requirement for householders considered “employable,” and would not have increased benefits for AFDC recipients in states providing relatively high benefit levels.

For a family of four without any other income, the FAP would provide \$1,600 (2013: \$10,121). But a family that *did* have income from employment would get a declining amount of FAP dollars until family income reached \$3,920 (2013: \$24,798). A family of four that had been earning \$12,652 in 2013 dollars would have had its income increased through the FAP to \$18,725. Ultimately, the vast majority of benefits would have gone to the “working poor,” a significant departure from then-existing programs that denied welfare benefits to those who were employed.

The FAP sailed through the U.S. House of Representatives comfortably, 243 to 155, but stalled in the Senate.

Many Congressional Democrats insisted that assuring the dignity of the poor required a more expansive program than the FAP, and criticized that proposal for its low income floor and work requirements. Representative William F. Ryan (D-N.Y.), who had been the first to introduce legislation for a GAI (in 1968), told the House in April 1970 that “accepting the concept of income maintenance and establishing the mechanics for implementing that concept are two far different things.” And though Ryan suggested “we do well to embrace the concept,” he characterized Nixon’s FAP as “seriously flawed.”



Senator George McGovern (D-S.D.), the Democratic nominee for president in 1972, supported guaranteed income proposals on the campaign trail.

As an alternative, Ryan pointed to the proposal of the National Welfare Rights Organization (NWRO), which had argued for a much higher base income: \$5,500/year (2013: \$32,910). Ryan argued on the floor of the House of Representatives that:

[A] guaranteed annual income is not a privilege. It should be a right to which every American is entitled. No country as affluent as ours can allow any citizen or his family not to have an adequate diet, not to have adequate housing, not to have adequate health services and not to have adequate educational opportunity — in short, not to be able to have a life with dignity.

Come Home, America

Nixon and Congressional Democrats, though, were not the only ones with a plan. In fact, the 1972 Democratic nominee for president — Senator George McGovern (D-S.D.) — rolled out his own GAI proposal in January of that year. McGovern suggested that “every man, woman, and child receive from the federal government an annual payment,” a payment which would “not vary in accordance with the wealth of the recipient” nor be contingent on the family unit. In contrast to Nixon, McGovern believed payments should be made to individuals and childless couples.

Drawing on his economic team, McGovern [discussed](#) a few specific proposals, including a James Tobin-inspired plan with a \$1,000 per person minimum income (\$5,554 per year in 2013 dollars), but emphasized that further study on configuring the plan would be necessary and “pledge[d]” that “if elected,” he “would prepare a detailed plan and submit it to the Congress.”

McGovern did begin to encounter criticism from some Democrats who suggested that he would be excoriated by Nixon for a proposal that, by some estimates, would subsidize 67 million Americans (almost 32 percent of the population). In the summer of 1972, McGovern shifted the focus of his policy proposals away from GAI and towards a full-employment agenda.

“[Guaranteed annual income] was a victim of a much larger paradigm shift that affected every sphere of society.” —
Michael Katz, University of Pennsylvania

In August, McGovern presented what he called “national income insurance” to the public, a plan that would have provided “jobs for those who are able to work [through public service employment], a reasonable income for those who cannot work [\$4,000 per year for a family of four, or \$22,275 in 2013 dollars], and truly adequate Social Security” for the elderly and disabled.

Not entirely comfortable with this formulation, McGovern added, “we must resolve the question of income supplements for working people who, in spite of their labor, still have trouble making ends meet. Even the unacceptable Nixon Family Assistance Plan recognizes the need to boost the income of those who earn too little.”

The candidate remained committed throughout the campaign both to the view that “our country lacks neither the means nor the will to meet the human needs of all of its citizens,” and to action that would have been at least the functional equivalent of a modest GAI.

Falling from favor

“If the Senate fails to act this year,” Senator Abraham Ribicoff (D-Conn.) told his fellow legislators in September 1972, “it is unlikely that the Congress will consider welfare reform at all in the next Congress, after years of fruitless effort already devoted to this subject. The tragedy of this failure will be more than a political one. It will be a human failure — a failure to help millions of Americans who subsist in poverty.”

Sen. Ribicoff’s sense of the politics was correct and a few days later, his final effort to pass the FAP failed, marking the highpoint for guaranteed annual income in the United States. Amidst calls for his impeachment, Nixon officially dropped the plan in his 1974 State of the Union speech. He resigned that August.

Beginning in the mid-1970s, a number of rapid political and economic changes wracked the U.S. Oil shocks, high inflation, and unemployment each challenged the assumptions of abundance that helped provide political space for pro-GAI arguments. In the mist of this economic and psychological turmoil, the values that had nourished support for the GAI — rooted in a sense of mutual rights and obligations between the country and all its citizens — began to be supplanted by those that emphasized the overriding importance of unfettered markets and individual gain.

Why does initial interest in providing services often not translate into practice?

As the guaranteed annual income idea became more prominent and its eventual enactment into legislation looked plausible, legislators and policy analysts — both critics and supporters — realized they had little data to go on regarding the prospective impact of GAI on recipients of assistance and on American society. Beginning in 1968, then, the federal government undertook a series of four “negative income tax” (NIT) experiments that sought to quantify the consequences of a guaranteed income by assigning randomly selected poor families to various guaranteed income levels and tax rates, and others to control groups. The largest of these experiments ran in Seattle and Denver from 1971 to 1982 and involved some 4,800 families.

“Part of the social experiment was actually pretty narrowly construed to see at what point does giving people a guaranteed income become a work disincentive. They really honed in on that problem,” Alice O’Connor, professor of history at the University of California, Santa Barbara, told Remapping Debate. Indeed, as the New York Times reported on the eve of the first experiment, in New Jersey, “the ultimate objective of the program is to find out such things as whether a guaranteed income actually pushes more people into jobs; whether subsidized families stay together and whether they seek better housing.”

Ahead of the experiments, many critics of the GAI concept predicted a massive defection from work, a hypothesis derived from the assumption that poverty stemmed from individual “laziness.”

The experiments showed that paid employment effort did indeed decline. In Denver and Seattle, for example, work effort declined by 5 to 10 percent among employed men. For married women the reduction was much larger, 20 to 25 percent; for single mothers, the experiments showed a decline of 10 to 15 percent. But did decline in paid work represent a negative development? Or was it, at least in part, a positive change reflecting participants looking for better jobs, getting more education, or spending more time with family? These questions were neither asked nor answered at any level of detail or precision.

However, the chief data analyst of the Denver experiment was able to firmly rebut those who had predicted that GAI would encourage mere laziness: “The ‘laziness’ contention is just not supported by our findings. There is not anywhere near the mass defection the prophets of doom predicted.”

The results on family stability were more controversial among policymakers and in the press. Rates of marital breakup among families in the NIT experiments jumped 60 percent over control groups. As these results became public in 1978, Senator Daniel P. Moynihan (D-N.Y.) abandoned his support for the plan, exclaiming, “We were wrong about guaranteed income!” Tom Joe, a Carter advisor, came to a different conclusion: “What will you do — starve people to make them stay together?”

Looking back on the scale and scope of the NIT social experiments from the perspective of the present limits of social and political imagination, Alice O’Connor, the historian, commented on the fact that GAI had enough currency for the experiments to be conducted at all: It gets “more amazing with the passage of time,” she said.

Though President Jimmy Carter did revive another very moderate GAI scheme as part of his “Program for Better Jobs and Income” in 1977, the plan never got out of congressional committee. Other changes during the Carter Administration, however, including the deregulation of commercial aviation and trucking as well as the backing away from national health insurance and full employment programs, presaged a sea change.

The decline in support for guaranteed income “is in many ways reflective of the bigger story of the changes in values” in America, said Michael Katz, of the University of Pennsylvania. “[Guaranteed income] was a victim of a much larger paradigm shift that affected every sphere of society.”

By Ronald Reagan’s election in 1980, the country in which GAI had seemed mainstream a decade earlier looked considerably different.

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.



President Ronald Reagan’s 1988 State of the Union speech was accompanied by a written message to Congress titled, “A Union of Individuals.”

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.”

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

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“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.”

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,

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.”

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.”

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.”

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 owing 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.

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,’” Block said. “That’s about as different as it gets.”

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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.

FREEDOM AND RESPONSIBILITY

In his [1964 acceptance of the Democratic presidential nomination](#), Lyndon Johnson made a forceful case for eliminating poverty on the grounds that it would empower people to participate in the broader society.

“The man who is hungry, who cannot find work or educate his children, who is bowed by want — that man is not fully free,” Johnson said.

“For more than 30 years, from Social Security to the war against poverty, we have diligently worked to enlarge the freedom of man. And as a result, Americans tonight are freer to live as they want to live, to pursue their ambitions, to meet their desires, to raise their families than at any time in all of our glorious history.”

Though he framed his argument for economic security in terms of individual freedom, it is clear that Johnson's vision of freedom came with social obligations.

Those individuals who had achieved the means to participate fully in society and “received the bounty of this land...must not now turn from the needs of their neighbors,” he said.

“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,” Green said. “Almost all of us accept this as a reasonable assumption, and it is the assumption that is the foundation of this plan.”

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.

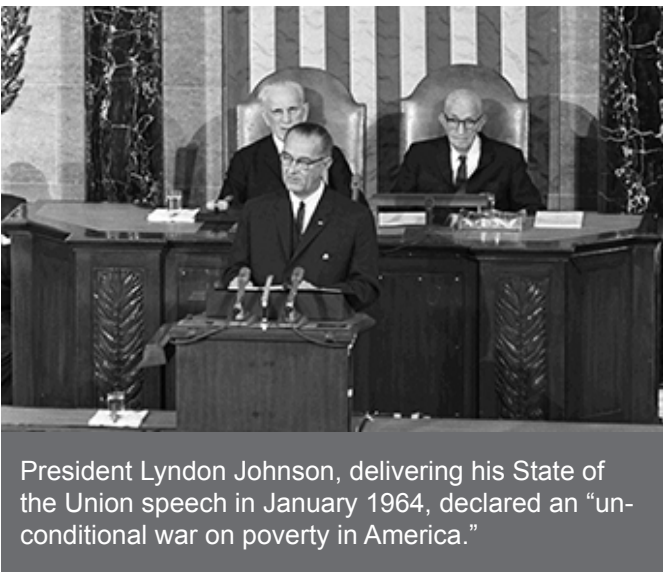
“That civic obligations like paying taxes and serving on juries are seen as burdens and infringements on individual liberty, rather than as privileges of citizenship and part of what it means to participate in democracy I think shows how underdeveloped our sense of citizenship has become,” Gordon said.

“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.

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.



President Lyndon Johnson, delivering his State of the Union speech in January 1964, declared an “unconditional war on poverty in America.”

“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.

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.”

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

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?’”



The labor and civil rights leader A. Philip Randolph, shown here in 1964, proposed a “Freedom Budget” two years later that supported a guaranteed annual income.

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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