

THE  
COLOR  
OF



# WELFARE



HOW RACISM  
UNDERMINED  
THE WAR ON  
POVERTY

JILL  
QUADAGNO



# **THE COLOR OF WELFARE**

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THE WAR ON POVERTY

WELFARE

Jill Quadagno

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## PREFACE

When David Duke, former Ku Klux Klan Grand Wizard, was elected to the Louisiana State House of Representatives, he declared, “This isn’t a victory for me, it is a victory for those who . . . choose to work hard rather than abuse welfare.”<sup>1</sup> Unspoken but understood was that the hard workers were white, the welfare abusers African American. As president, one of Ronald Reagan’s favorite anecdotes was the story of a Chicago welfare queen with “80 names, 30 addresses, 12 Social Security cards and a tax-free income of over \$150,000.”<sup>2</sup> While less direct in his message, President Clinton’s promise to reform the welfare system was his most popular issue, a sure-fire applause getter in his speeches.<sup>3</sup>

Although welfare reform is the policy issue that most readily translates into a racial code, other social programs—urban renewal, job training, school choice—elicit similar connotations. Politicians say they are talking about social programs, but people understand that they’re really talking about race. There is good reason for Americans to understand coded messages about social policy as substitutes for discussions of race, for real linkages between race and social policy exist. But the linkages are more complex than the messages delineated in recent political campaigns. This book explains these intricate connections.

Race first became intertwined with social policy during Franklin Delano Roosevelt’s “New Deal.” The New Deal achieved dual objectives: It initiated a floor of protection for the industrial working class, and it reinforced racial segregation through social welfare programs, labor policy, and housing policy. These impediments to racial equality remained intact until the 1960s when the civil

rights movement made the struggle for equal opportunity the predominant social issue of the decade. When Lyndon Baines Johnson decided to wage a "War on Poverty," the federal resources of the antipoverty programs fueled this struggle. Community action programs brought African Americans into local politics; job-training programs forced the skilled trade unions to integrate and more importantly, established affirmative action. And demands for more and better housing were coupled with the first fair-housing legislation. As social programs came to promote equal opportunity, they created a political backlash that gave rise to an ascendant "New Right" of fiscal and social conservatives intent on rolling back the welfare state and restoring traditional values. Proposals for a guaranteed annual income for the working poor and national child-care support fell victim to this backlash. Now fifty years after the New Deal and thirty years after the War on Poverty, persistent racial segregation undermines support for national social programs and impedes the nation's ability to guarantee basic social protection to all its citizens.

It has taken me more than six years to piece together this complex story. I began this project in 1988 when a National Science Foundation grant allowed me to spend a semester as a visiting professor at Harvard University. There I was privileged to co-teach a course on "Gender and the Welfare State" with Theda Skocpol. Our frequent discussions helped shape the direction of this book. I presented two of the chapters during my stay that semester and returned three years later to present another chapter.

When I was about halfway through the book, Robert Alford came to Florida State to present a talk. I volunteered to take him to breakfast before his departure. I was wondering how I would pass nearly three hours with a relative stranger. I needn't have worried. His penetrating questions forced me to articulate my own arguments and, more importantly, to think about whether my evidence really sustained those arguments. And that stranger became a friend. Since our first breakfast, we have maintained a dialogue by phone, letter, Bitnet, and conversations during his subsequent visits to Florida State. A generous man, he read the entire book and gave me more than twenty pages of comments.

My colleague, John Myles, has read nearly everything I have written for the past ten years. I have discussed every aspect of this

book with him, from such major issues as developing the main arguments to the more mundane but important matter of thinking up a title. He read the entire book more than once and Chapter 1 at least five times. Many of the insights are his. The errors are mine.

For most of my career, I have admired Frances Fox Piven from afar. One of the great pleasures of this project has been the opportunity to get to know her personally. Fran read most of the chapters and provided detailed comments. I am grateful for her friendship and for her intellectual guidance.

Finally, I benefitted enormously from the comments of my close friend, Joane Nagel. She read the manuscript when I thought I was finished and told me I still had a lot of work to do. It wasn't what I wanted to hear, but she was right. Readers who find my central thesis clear can thank Joane. Those who don't can blame me.

Many other friends and colleagues have also contributed to this effort. I appreciate the comments of Bruce Bellingham, Leslie Innis, Marjorie Abend-Wein, Pamela Barnhouse Walters, Edward Berkowitz, G. William Domhoff, David James, Sonya Michel, James Max Fendrich, and Larry Isaac. James Orcutt took his skilled editorial pen to the introduction. I also benefited greatly from conversations with Patricia Yancey Martin, William Tuttle, and Ann Schofield and from the gracious hospitality of Courtney Cazden during my stay in Cambridge. I owe a particular debt to Oxford's reviewers, Joel Blau and Michael Katz. My graduate students, Debra Street and Catherine Fobes, read major portions of the book and told me bluntly where I was unclear. I also gained from presenting portions of the book in progress to the Indiana University Workshop in Political Economy and to the Florida State University Workshop in Political Economy. I thank the Mildred and Claude Pepper Foundation for funding a conference held at Florida State in March 1989, which allowed me to work through the ideas presented in Chapter 7.

As always I am in the debt of archivists. Much of the historical research was done at the National Archives. Aloha South has been my main contact at the National Archives since 1983. She has taken an active interest in my work, has advised me on where to find documents I'm interested in, and has prepared materials in

advance so that I could begin working as soon as I arrived in Washington. Federal policy precludes me from giving her any token of appreciation, even a copy of the book. All I can do once again is say, "Thank you, Aloha."

I especially appreciate the support of my editor at Oxford University Press, David Roll. His interest and encouragement have been inspiring, and his helpful suggestions and comments have improved the manuscript immensely.

Last, but never least, I thank my husband, David. He followed me to Florida State so I could accept my present position, even though the move clearly enhanced my career more than his. He cared for our son while I was at Harvard, he has kept the household running for the past six years, and he tolerates our large and poorly behaved dog even though he hates pets. I dedicate this book to him.

*Tallahassee  
October 1993*

J.Q.

## CONTENTS

INTRODUCTION <i>The Equal Opportunity Welfare State</i>	3
ONE <i>Unfinished Democracy</i>	17
TWO <i>Fostering Political Participation</i>	33
THREE <i>Extending Equal Employment Opportunity</i>	61
FOUR <i>Abandoning the American Dream</i>	89
FIVE <i>The Politics of Welfare Reform</i>	117
SIX <i>The Politics of Motherhood</i>	135
SEVEN <i>Universal Principles in Social Security</i>	155
EIGHT <i>Rebuilding the Welfare State</i>	175
NINE <i>Explaining American Exceptionalism</i>	187
NOTES	199
BIBLIOGRAPHIC NOTES	237
INDEX	241

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# **THE COLOR OF WELFARE**

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## INTRODUCTION

# *The Equal Opportunity Welfare State*

**O**n April 29, 1992, three hours after an all-white jury acquitted four white police officers in the brutal beating of black motorist Rodney King, the streets of Los Angeles erupted in flames as enraged ghetto residents took to the streets. In the eyes of a stunned nation, and especially its black citizens, the verdict was incomprehensible. How could anyone discount the videotaped horror of King being clubbed and kicked 56 times in 81 seconds? Six days later, when the flames had been reduced to smoldering rubble, President George Bush declared that what had triggered the riot was not frustration at an unjust system, not the despair of grinding poverty and blocked opportunity, but rather the failure of the liberal social programs of the 1960s.

An astonished Bill Clinton, his Democratic rival in the 1992 presidential race, scornfully asked why Bush had to return to the 1960s to find a scapegoat when Republicans had held the presidency for 20 of the past 24 years. Weren't the causes nearer at hand? As inexplicable as Bush's comment seemed, it accurately captured the idea that during the 1960s social policy became linked to race in consequential ways. I agree. In this book, I show why I think this aspect of American welfare state development warrants reflection. That's what this book is about.

I have long been interested in how racial issues have shaped the American welfare state. In my previous book, *The Transformation of Old Age Security*, I explained why cotton production in the South hinged on racial oppression and showed how racial issues were an integral part of New Deal policymaking. I explained why southern congressmen refused to support any welfare programs that would place federal funds in the hands of black sharecroppers. And I argued that because Franklin Delano Roosevelt needed southern support to get his programs through Congress, he agreed to exclude African Americans from the core programs of the Social Security Act.

I was interested in these issues because they helped me understand why, compared to most European nations, the United States was slow to legislate national welfare programs and why it lacked programs other countries enacted as a matter of course—national health insurance, family allowances, or paid parental leave. At that time I was convinced that the limits had been imposed by the South. I also believed that by the 1960s the decline of cotton production had made race irrelevant to policymaking. I was wrong on both counts.

My subsequent research on Lyndon Johnson's War on Poverty has convinced me that race was still the defining feature of the American welfare state in the 1960s. To be sure, the solid South had not vanished entirely, but it was no longer the bastion of resistance it had been in the 1930s. Race had not, however, become less pivotal to policymaking. Indeed, it had moved from the periphery to the center. No longer a regional embarrassment, racial inequality had become a national malady. What the War on Poverty represented was a well-intended but poorly executed effort to treat that malady.

Racial inequality was brought north in the upheaval caused by a massive migration of blacks out of the South, then forced upon the American conscience by a civil rights movement that demanded equality of opportunity. This book is about how policymakers tried to respond to those demands by reconstructing the racial welfare state of the New Deal. It is also about how these attempts foundered on a deep racial divide. Finally it is about the price the nation still pays for failing to fully incorporate African Americans into the national community. That price is a welfare

state that lacks the basic protection other industrialized nations take for granted.

The argument I develop here differs from other interpretations of the American welfare state. Several leading political theorists contend that the United States has been a welfare state laggard because of a tradition of liberal values, while others focus on the weakness of the working class or the peculiarities of American statemaking. I find all these interpretations partially correct; yet they pay insufficient attention to a key ingredient—race.

### *Theories of American Exceptionalism*

According to a long-standing tradition in political theory, Americans oppose all forms of government intervention because of an encompassing liberal culture in which individual rights are sacred, private property is honored, and state authority is distrusted. For example, Roy Lubove argues that the strength of this liberal culture was responsible for the failure of most early proposals for national welfare legislation. A commitment to voluntarism “enabled groups of all kinds to exert an influence and seek their distinctive goals without resorting to the coercive powers of government.” Gaston Rimlinger makes similar claims: “in the United States the commitment to individualism—to individual achievement and self-help—was much stronger than . . . in England. . . . The survival of the liberal tradition, therefore, was . . . stronger and the resistance to social protection more tenacious.”<sup>1</sup>

The belief that liberal values weaken American support for social legislation remains a prominent argument. In *The Continental Divide*, Seymour Martin Lipset asks why the American welfare state is less advanced than that of its nearest neighbor, Canada. Lipset attributes the difference to an American ethos consisting of antistatism, individualism, populism, and egalitarianism. According to Lipset, “the evidence (that values explain the difference) is abundant and clear.”<sup>2</sup>

The problem with explaining welfare state development in terms of liberal values is that Americans have tolerated major exceptions to that antigovernment ethos—notably an extensive Civil War pension system in the nineteenth century, numerous state-level welfare programs in the “Progressive Era” and the 1920s,

and the persistent and ardent efforts by voluntary associations to win both public and private benefits.<sup>3</sup> If Americans are ideologically opposed to state intervention, then why have so many worked so steadfastly toward this end? In his book *The Democratic Wish*, James Morone attempts to resolve this seeming contradiction between distrust of government and the willingness of the people to endorse programs that expand it. He claims that Americans not only have a powerful dread of public power but also a yearning for a democratic ideal founded on consensus, citizenship participation, and a hearkening to the principle of community. Yet the search for direct democracy invariably builds bureaucracy until the suspicion of government materializes.<sup>4</sup> When it does, Americans revolt against the intrusion of the state, but new forms of government intervention remain as a permanent legacy to those communal ideals.

Morone's theory of a democratic wish explains exceptions to antistatism by recognizing that the American creed includes both a distrust of state authority and an ethos that esteems community. But his claim that the contradiction is between community and bureaucracy overlooks the fundamental tensions that have shaped the welfare state. These are tensions that reside in competing definitions of "liberty": liberty as the *positive* freedom to act on one's conscious purposes and to develop one's capacities versus the *negative* freedom from external constraints on speech, behavior, and association.<sup>5</sup> In the chapters that follow, I will demonstrate how efforts to use government intervention to extend positive liberties to African Americans clashed with the negative liberties of whites to dominate local politics, to control membership in their unions, and to choose their neighbors. I will then show how these conflicts established a racial fault line in public policy that subsequently provided the rationale for welfare state retrenchment.

A second prominent explanation of American exceptionalism is that a weak working class, or, more specifically, the absence of a labor-based political party, has impeded the formation of a more generous welfare state.<sup>6</sup> This argument is derived from comparative research, which suggests that the most advanced welfare states originated in countries where a labor-backed party fought for new social legislation. The American labor movement, by contrast, not

only failed to initiate social welfare legislation, at times it actively opposed it.<sup>7</sup> Given the weakness of working class organizations, American capitalists have been able to impose limits on social policies that would interfere with private efforts in the market.<sup>8</sup>

I agree that the character of working-class politics has shaped the American welfare state. But I contend that the core issue is how working-class politics have been weakened by racial divisions, both in the workplace and in the community. In the workplace, trade union discrimination has been a barrier to labor organizing, while in the community, neighborhood segregation has impeded class solidarity.<sup>9</sup> These racial barriers to class solidarity originated in private practices but became embedded in the state when welfare programs were enacted. New Deal labor legislation that granted workers the right to organize also allowed trade unions to discriminate against blacks. New Deal housing policy reinforced neighborhood racial segregation. When issues of residential and workplace discrimination became pivotal to the civil rights movement, antipoverty programs dealing with labor policy and housing policy became involved in the struggle for equal opportunity. The use of the welfare state to pursue social justice aroused working-class resentment and undermined support for the welfare state.

Finally, polity-centered theorists argue that a unique sequence of democratization and industrialization impeded the development of the welfare state. Specifically, they claim that because the United States democratized before it industrialized, the American working class never coalesced around a struggle for basic democratic rights. Instead, working-class politics developed around political parties that dispensed favors, jobs, and other benefits through patronage systems. Patronage served as a substitute for broad, programmatic appeals to the electorate based on such issues as national welfare programs. Abuses of patronage further alienated voters from supporting any public provisions that might fuel graft and corruption.<sup>10</sup>

This account accurately describes early twentieth-century political history. What it neglects is a key piece of the puzzle: instead of being one of the first nations to democratize, the United States was among the last.<sup>11</sup> While the North was at least formally democratic in the twentieth century, African Americans in the South

were denied basic democratic rights—the right to vote, the right to work without coercion, and the right to a modicum of economic security.<sup>12</sup> Not until the Civil Rights Act of 1964 prohibited discrimination in employment and the Voting Rights Act of 1965 banned practices that disfranchised African Americans was democracy formally bestowed on a nationwide basis. Still lacking was the right to economic security. The War on Poverty represented an effort to bypass the racially biased New Deal network of welfare agencies and to provide economic security to blacks. Thus, the United States did engage in a struggle for democracy. But it took place in the twentieth century, not the eighteenth, and the revolutionaries were African Americans, not the working class.

### *The Welfare State as a System of Stratification*

Implicit in theories of welfare state origins are assumptions about outcomes. The most common assumption is that the welfare state can overcome divisions and create social solidarity. But as I noted above, the welfare state may also create or reinforce social cleavages. Gosta Esping-Anderson argues that both outcomes are possible: “The welfare state is not just a mechanism that intervenes in, and possibly corrects, the structure of inequality; it is, in its own right, a system of stratification. It is an active force in the ordering of social relations.” Social programs, according to Esping-Anderson, “help determine the articulation of social solidarity, divisions of class and status differentiation.”<sup>13</sup>

These outcomes can be classified according to three ideal types that Esping-Anderson calls “welfare state regimes”: liberal, conservative and universal.<sup>14</sup> The first, the “liberal” regime, entails minimal intervention in the market. Rather, liberal regimes foster “the competitive individualism that the market supposedly cultivates.”<sup>15</sup> To discourage welfare dependency that could undermine work incentives, liberal regimes rely on social programs with complex eligibility rules such as means-testing, residency requirements, and family responsibility clauses. In making welfare recipients a stigmatized class, liberal regimes promote social cleavages. “Conservative” regimes maintain traditional status relations by providing different programs for different class and status groups.<sup>16</sup> In nineteenth-century Germany, for example, Bismarck’s pension

plan constructed a myriad of social insurance schemes, each with its peculiar rules, finances, and benefit structures. Workers' pension plans were distinct from those of miners, civil servants' from those of other white collar employees.<sup>17</sup> Finally, "universal" regimes promote status equality by endowing all citizens with similar rights, regardless of social class or occupation. The prototype of the universal regime is Sweden's welfare state, which provides benefits to all as a right of citizenship. High-quality benefits cut across class and status cleavages and solidify support for the welfare state.

The United States is usually described as the classic "liberal" regime because of its heavy reliance on means-tested social-assistance programs. Means-testing supposedly draws rigid class distinctions between the deserving and undeserving poor. I argue, however, that the means-tested programs of the American welfare state had less to do with maintaining class divisions than with maintaining racial segregation. And I will demonstrate that the War on Poverty represented a different sort of regime entirely. The social programs enacted during the 1960s ushered in what I call an "equal-opportunity welfare state." By this I mean that the primary objective of social policy became the pursuit of equality of opportunity and that the resulting cleavages stemmed from racial conflict, not class conflict.

The equal-opportunity welfare state emerged from the collision between the War on Poverty and the civil rights movement. But its origins lay in the policy legacy of the New Deal. In tracing the historical linkages between these two great "bangs" of policymaking, I combine theories of American exceptionalism with theories of welfare state regimes. Instead of emphasizing the distinct characteristics of each period, I emphasize the dialectical interaction between them. I use the term "dialectical" because it eliminates any suggestion of a linear progression in the development of the welfare state. Rather it implies that policies enacted in one era contain inherent contradictions that must be faced in another. The dialectic in the New Deal was the contradiction between an American ethos that embodied ideals of liberty, justice, and equality of opportunity and a series of policy decisions that repudiated that ethos.<sup>18</sup> The War on Poverty represented an effort to resolve that contradiction.

Theda Skocpol and Ann Orloff say much the same thing, although neither uses the word “dialectical.” They call these interactive processes “policy feedbacks.” Skocpol argues that “tracing these feedback processes is crucial for explaining the further development of social provision after initial measures are instituted.”<sup>19</sup> Policies have feedback effects both because they transform or expand the capacity of the state and because they “affect the social identities, goals, and capabilities of groups that subsequently struggle or ally in politics.”<sup>20</sup> I agree—but with one crucial qualification. Whereas Skocpol and Orloff emphasize aspects of the policies themselves, I argue that the central element in national welfare policymaking is the social dynamic driving those policies. In the American case, that dynamic has been race. Race was a key component in battles over New Deal policymaking, and racial conflict over the New Deal legacy propelled the War on Poverty. The racial backlash unleashed in that turbulent decade left an enduring legacy that hampers efforts today to reconstruct America’s cities and to complete its unfinished domestic agenda.

### *Race in the U.S. Welfare State*

The process of democratization consists of the extension of civil, political, and social rights. Compared to European nations, the United States instituted social rights late in its history. The first national welfare programs were enacted during the New Deal. In Chapter 1 I explain how the New Deal not only extended social rights but also reinforced the racial divide in American democracy. I begin by showing how southern congressmen took advantage of their committee power to shape the structure of the Social Security Act of 1935. Instead of universal old age and unemployment insurance for workers, the act created two tiers of racially-segregated benefits. I also show how the New Deal legitimated racial discrimination in employment and housing. Finally, I argue that by 1960 that unwieldy legacy had become an impediment to effective government. The problem facing Lyndon Johnson was how to reorient the nation’s social policy agenda so that it could eradicate, rather than reinforce, racial inequality. His solution—the War on Poverty—poured funds for education, housing, and

community action into urban ghettos. These policies and resources helped fuel the struggle for equal opportunity.

Community action originated as a program to consolidate social services and improve service provision. In transferring resources directly from the federal government to the poor, it rapidly became an agent in the struggle for political rights. Chapter 2 shows how the civil rights movement absorbed community action programs, using them to redistribute political power from local machines to black organizations and black leaders. In Mississippi, community action created new patronage networks that bypassed the entrenched power structure and instead funneled federal money, and thus power, to African Americans. In Newark, civil rights leaders captured the local community action agency and used it to protest police brutality, the lack of access to city jobs, and an urban-renewal plan that would have destroyed the homes of many black families. Such outcomes weren't universal, however. In cities like Chicago, where entrenched political machines resisted any intrusion on local government rule, community action merely fueled the machine. Although community action increased the political participation of African Americans overall, often at the expense of white ethnic politicians, the ghettoization of urban politics reduced political support for funds to cities and limited what these new leaders could accomplish.

The War on Poverty also included programs for job training. At first these programs sought only to make poor, black men employable. However, as I demonstrate in Chapter 3, civil rights activists then demanded that trained apprentices be hired for the good construction jobs controlled by the skilled trade unions. When the unions refused to admit black men, federal officials devised a program of affirmative action that threatened the unions' most cherished prerogative: the right to select candidates for apprenticeships. In the ensuing struggle, the indifference of the skilled trades toward African Americans turned to open hostility, and their support for the Democratic party was converted into antagonism toward its policies. Affirmative action opened previously closed sectors of the labor market to minorities and women, yet job-training programs were mainly oriented to the poor and to minorities. This narrow focus diverted the government from adding a new tier to

the welfare state—social programs for managing the labor market and supporting the needs of service sector workers.

As the civil rights movement turned north, it confronted angry residents of crowded, decaying urban ghettos whose housing needs became inextricably linked to the effort to end housing segregation. Federal officials tried to, but could not, adequately satisfy complex and sometimes competing demands for better housing for the poor, more housing for African Americans, and fair housing for all Americans. Chapter 4 demonstrates how angry suburban homeowners resisted opening their communities to minorities, forcing federal officials to retreat from a commitment to low-income housing and to back away from fair-housing laws.

By 1968 the civil rights movement was torn apart by internal conflicts, public opinion turned against demonstrations that triggered violence, and federal officials moved to quell riots and demonstrations with troops and guns rather than with social programs. In the 1968 election an alienated new majority bitterly rejected the party of the people, which had failed to deliver on its implicit social contract to incorporate the excluded and to support the working class. As the newly elected Republican president Richard Nixon ascended to office, he pondered how to reach the “forgotten Americans” and reconstruct an electoral majority around working-class disaffection. His solution was to drive out the “special interests” that had throttled urban policy and, instead, orient social programs toward the ascendant sunbelt and suburbia. As political analyst Kevin Phillips explains, the Republican party decided to offer “policies able to resurrect the vitality and commitment of Middle America—from sharecroppers and truckers to the alienated lower middle class.” These policies would “do far more for the entire nation than the environmental manipulation, social boondoggling, community agitation and incendiary promises of the Nineteen-Sixties.”<sup>21</sup>

Nixon’s policies were not initially designed to roll back the welfare state. Indeed, he spent more for social programs than Johnson did. Rather, he recognized a unique political opportunity to woo an alienated working class by moving racial issues to the periphery of the welfare state. Reforming the welfare system by replacing Aid to Families with Dependent Children (AFDC) with a guaranteed annual income promised to solve a number of political prob-

lems in one package. As I show in Chapter 5, Nixon's proposed Family Assistance Plan (FAP) could have reduced the skyrocketing welfare rolls and appeased the working poor who resented the government's support of the nonworking poor. But a guaranteed annual income also seemed capable of resolving a problem that federal officials believed was responsible for urban unrest—the dissolution of the two-parent black family. By shoring up their incomes, the FAP might also have restored the ability of black men to become household heads. Despite such intriguing possibilities, the FAP threatened to undermine wages in the South and thus alienate the Republican party's most promising new constituency—white, southern Democrats, the target of Nixon's "southern strategy" in the 1968 election. But southern employers feared the benefits would eliminate incentives for low-wage workers. Even urban welfare mothers opposed the FAP for fear the new program would reduce their benefits. Realizing that the political costs of a guaranteed income were greater than any benefits it might bestow, Nixon rescinded his support for the revolutionary welfare reform proposal, and poor working mothers lost the chance for a social wage to subsidize their low-wage labor.

For women in the expanding service sector of the economy, the lack of secure and high quality child care hindered their ability to work. But a day-care program held unanticipated political hazards that might have splintered, rather than united, working-class support for the Republican party. In Chapter 6 I trace day care's inauspicious origins and untimely demise. When the federal government began paying for day care in 1962, it tied child care to AFDC. The Comprehensive Child Development Act of 1971 would have partially severed child care from welfare and made more children eligible for support. However, it only minimally served the middle class. As the day-care bill moved through Congress, it activated other political issues that had nothing to do with providing adequate child care. For civil rights activists the day-care bill presented an opportunity to revive the dying community action program; for social conservatives the bill threatened the traditional family by encouraging mothers to work. The program's broad-based, bipartisan supporters could not override the influence of the two extremes. When Nixon chose to cater to the nascent voice of the "Moral Majority," women lost a program that

would have enhanced their right to work unhampered by the burden of child-care responsibilities.

Nixon finally found a spending program that nearly everyone agreed was worth improving—Social Security. Under Johnson, officials in the Social Security Administration proposed an increase in Social Security benefits and guaranteed automatic cost-of-living adjustments. In Chapter 7 I show how Nixon welcomed this chance to consolidate middle-class support around a welfare program, for few would deny that the elderly had the right to economic security after a lifetime of labor. I also take this opportunity to analyze debates about the merits of targeted programs in the context of our one universal program—Social Security.

During the 1960s, other nations added social benefits that allowed them to engage in long-range economic planning, move unemployed workers rapidly into new jobs, and provide the supports necessary for a postindustrial economy centered around a service sector comprised of female workers. The United States instead was waging a struggle to extend democratic rights. A tired and divided nation then turned away from its unfinished task. By 1970 Americans had social insurance for the elderly, the disabled, and the unemployed and health insurance for the elderly and the very poor but little else. Between 1935 and 1970 fundamental changes had occurred in the structure of the industrial working class. Whereas in the postwar era an unskilled male worker could expect to earn adequate wages to support a family and obtain the accoutrements of a middle-class lifestyle, by 1970 low-wage services were replacing the high-paying manufacturing base. During the same period the labor-force participation of women increased rapidly. Where a wife's income supplemented her husband's, working families were able to maintain their standards of living. But households headed by single women were almost guaranteed a life below the poverty line.

The War on Poverty did little for the working poor and for women in the expanding service sector. The long-term legacy of coupling social policy to racial issues has diminished America's ability to stem the decline of the inner cities and to protect the family, whether it consists of two working parents or of single mothers. The failure to expand the welfare state to meet the needs of the new working class is linked to the failure to dissolve the

urban ghetto. In Chapter 8 I argue that the nation must devise programs to protect the family, whatever its form, but that racial segregation provides an unstable foundation for a successful welfare state.

Finally, in Chapter 9 I reexamine theories of American exceptionalism. I argue that the motor of American history has been the continual reconfiguration of racial inequality in the nation's social, political, and economic institutions. It is this characteristic that has impeded the development of a comprehensive welfare state. I conclude that overcoming racial inequality remains America's unfinished task.

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## ONE

# *Unfinished Democracy*

According to the British sociologist T. H. Marshall, democratization has proceeded in three stages with the granting of civil, political, and finally social rights. In Europe the struggle for civil rights emerged out of a feudal heritage where serfdom locked workers to the land. The transition from servile to free labor introduced the notion of citizenship as the right to pursue the occupation of one's choice freely, without compulsion, subject only to requirements for training. By the beginning of the nineteenth century, the principle of individual economic "freedom" was accepted as axiomatic.<sup>1</sup>

Throughout the nineteenth century in most European nations, only monarchs, bureaucrats, and aristocrats could vote. Limited political rights were granted to some men on the basis of property ownership and education. These constitutional monarchies were gradually replaced by representative governments and popular sovereignty. Political democratization in the form of universal suffrage advanced through the dismantling of restrictions on voting based on property ownership or literacy. By 1920 adult males had full voting rights in seventeen nations, while nine had given women the vote.<sup>2</sup> Political rights not only meant the right to vote but also the right to a voice in a collective process of decision-making.<sup>3</sup>