

Episode 150 - Dr. Mimi Abramovitz: Changes in U.S. Social Welfare Policy: The Effects of Privatization on Human Services (part 1 of 2)

[00:00:08] Welcome to end social work. The podcast series of the University of troppo School of Social Work at W.W. dot. In social work dot org. We're glad you could join us today. The purpose of social work is to engage practitioners and researchers and lifelong learning and to promote research to practice and practice to research. We're so Sure hi from Buffalo a lot of us in academia think the whole world is on our schedule so forgive me for the following. Welcome back to campus. All academics and students. And welcome to September for everyone else. I'm Peter Sobota I think of social workers as the first responders to poverty. So states our guest Dr. Mimi Abramovitz in this episode the first of a two part podcast Dr. Abramovitz discusses the so-called privatization of Human Services. Dr. Abramovitz describes the recent history of economic conditions and historical changes in United States social welfare policy and its subsequent impact on human service agencies. Their workforce and ultimately the clients they serve. She will introduce the concept of new public management. The impact of the Obama administration's policies on the welfare state and how the political use of fear has encouraged many citizens to cast their votes for leaders who favor policies that do not reflect the citizens best interests. Dr. Mimi Abramovitz is the Birtha Capen Reynolds Professor of Social Work at the Silberman's School of Social Work at Hunter College and the City University of New York Graduate Center. Her research interests include women work poverty and social welfare policy.

[00:02:03] Her research has appeared in major academic journals within and outside of social work as well as in the popular press including the New York Times Washington Post. Ms. Magazines Women's Review of Books and Women's News Dr. Abramovitz is the recipient of numerous awards for her overall contributions to Social Work and Social Policy and has been inducted into the Columbia School of Social Work Hall of Fame Dr. Abramovitz was interviewed in June of 2014 by our own Dr. ukes who Kim associate professor here at the School of Social Work. Look for part two of this discussion in the near future. It is a great pleasure to talk with you today. We want to talk about the new public management and related to your study. First I would start with the background of the study. What sparked your interest in the topic. Well that's really a good question because I'm very concerned about what's going on in the Human Services today and the new public management is a name that some people given into what's going on. But I'll go into that a little more so if you'd been in human services you know that the work in the Human Services is never easy. We have some of the hardest jobs we work with people who have all sorts of vulnerabilities. And I think of social workers as the first responders to poverty and these problems. But since 2007 when we had that big economic crash it was really a crisis. Things have gotten much harder. And I've been hearing my students I've been hearing like practitioners who I know in the field talk about changes in the workplace and they say things like the clients have more needs but our resources are getting tight.

[00:03:48] We don't have enough staff we don't have enough programs. The same time they also started talking about this greater use of performance measurement outcome performance measure out outcome measures increased emphasis on quantification and documentation and they were concerned because it seemed to be interfering with what they were trained to do with social workers. That's what they were saying when they were also being asked to do more with less on all these fronts. That's sort of. It means a lot of different things. But everybody nods their heads when it says more with less. And all this was affecting both how services are provided but also the practice what social workers

could do vis a vis their clients. I'm not a practitioner I teach public policy and I master's and a doctoral program talking to students who are in the field either with internships or a doctoral program are mostly program managers they've been in the field for a while. So I found hearing all this rather disturbing but I didn't know exactly what was going on because you know in academia we like once removed. We're not in the agencies everyday. So I wanted to know what was going on. I didn't know that there was similar trends going on in public education like teach to the test. And also when universities were being asked to measure things more competencies and so on. But I hadn't realized that it was going on in the human service agencies as well.

[00:05:12] The frontline human services agency so and then when I started to read about and started to look at it I discovered that researchers in Canada and other countries were studying something that sounded very much the same as what I was hearing about. I didn't have a name for it you know in the United States. We hadn't named it yet and we're still in the process of starting to name it. So they called it New Public Management NPM. Sometimes they called that managerialism. If you translate that what that means is bringing the business model into social services with the emphasis on production and productivity on outcomes and so on. So that's what got me interested. I'm really concerned about the what's happening to the human service workforce and by implication to the quality of services that we can provide to the people who come to us every day. That's very good. You write a lot about that love estate and how does this new public management fit into to listen to trends in social welfare policy. Yeah that's really a good question because it's really new public management is part of a really bigger shift in public policy that began in the mid 70s. Long time ago and was institutionalized with Reagan in the 1980s remember Reaganomics. This is sometimes called Reaganomics it's sometimes called conservatism sometimes it's called supply side economics. And today more people are calling it neo liberalism which is a word that Americans don't understand because it means going back to pro market dynamics but it says liberalism and we think of liberalism as meaning more government. But it really refers an economic Charmine going back to like the laissez faire economics anyway. So this shift that took place in the mid 70s took place in response to a second economic crisis that surfaced in the mid 70s.

[00:07:03] What happened is that there were these big shifts in the domestic economy and the global economy that slowed economic and economic growth and cut into profits. So again I'd like to just give a little background about those two crises OK because they really frame not only what my research is but they frame almost everything that we're doing and social workers aren't so tuned into economics. And so I really feel like this is a way to bring some economic knowledge deeply translated If you will into our understanding of what affects our work the lives of our clients and the agencies. So there were two crises in the first one was in the 1930s the famed crisis the depression and when the economy basically collapsed right. And so at that time the nation's leaders decided that their economic woes were due to the failure of the market the laissez faire paradigm which had been guiding their work really since 1890 89 50 years because we didn't have big government than we had mostly state level government and the federal government was just starting to get put into place really anyway. So they said the market isn't working it's not producing the growth we need. Look the economy collapsed all this hardship. So they called on the early Federal Government small as it was to step in and do something about this. And then you have all the people who are hurting the workers and the poor. So they we all know they took to the streets and they demanded that something happen to better their lives. So in the end you can say that everyone seemed to agree that the U.S. needed a more active state to save capitalism from itself.

[00:08:43] Capitalism had collapsed the market wasn't working. Oh my God what are we going to do. Most people know that about the poor and the worker are but they don't know that the business community was also quite upset. And in fact Roosevelt was president then put a lot of the New Deal programs into place to get the economy back on a feet which meant he subsidized business farmers as well as families. OK so everybody got a little sampling and that's what I mean by a more active state and the federal government started to get bigger them. So we got the New Deal. All of that was the New Deal and it ushered in major it but it wasn't just a bunch of programs that basically restructured the economy. So what how did they do this and restructure the economy and sort of very Jannali by redistributing income downwards from the haves to the have nots and expanding the role of the state. Those are two it's a huge paradigm shift from the laissez faire approach market model. And so what do we have the new deal included a progressive tax code. Many many tax brackets the highest bracket taxed at 90 percent. Higher taxes for everybody. It transferred social welfare responsibility from the private sector to the public sector. All those charity organizations societies and those that they were swamped by the oppression they couldn't handle it. So the federal government the New Deal people said OK it's time to bring the public sector and we'll do it.

[00:10:05] And they started to actually just handle the management of the cash benefits that were being newly introduced at the federal level and they shifted programs from the states where most of the activities were not to the federal government that's how we start to expand the state and from the private to the public from the states the federal government. And they also supported social movements. They supported social movements the labor movement in particular was getting organized because the working people were really upset by what's happening and it gave fuel to the fire of the Congress of Industrial Organizations CIO. Yeah. Before it merged with the AFL in the 50s so they were organizing a lot of people and the New Deal help them by passing legislation that allowed collective bargaining and things like that. And then the program also shifted. We know now with hindsight it wasn't formulated this way it shifted some of the care work or the work that women do in the home from women in the home to the state. The state started to pay for the things housing healthcare health care came later. It's true that gave people money so they could buy food and clothing. So those attacks that are assigned to women so. So from the feminist point of view you can look at the New Deal is a huge change in terms of how women's work was organized. That's very interesting. So what about the second crisis. Well yes there was a second crisis the second crisis occurred in the mid 70s but from about 1945 to 1975 which is a period between the first and second crises and they start from 1945 because there was a depression and then we went into World War Two.

[00:11:39] So once peace got established things got back to normal at this time the welfare state expands enormously. That expansion of the state that the new deals fueled that actually took place and it took place that was a period of prosperity. There was strong economic growth and there's new needs were emerging and needed to be addressed and the government started to address them. The gap between the rich and the poor got smaller. Well that was a result. And also the social movements were especially the trade union movement. But now the civil rights movement is underway. And by the 60s you have the women's movement coming in. But so between 45 and 60 you have all the movements the famous 60s right. So from 45 to 60 the one after another the movements built on each other actually and they made a lot of claims they were asking for better housing better wages better working conditions equal rights. End of discrimination. So the government responded with legislation and changes so we had a period of social reform expansion of the welfare state and by the mid 70s the powers that be if you will of the nation's leaders

especially the business leaders and some in government said wait a minute something's going on here too much this kind of shifted the balance of power between the haves and the have nots as the movements were making gains that benefited the people at the bottom of the totem pole. So when a crisis occurs in the midst of what I'm getting ahead of myself when a crisis occurs in the mid 70s you have a crisis now due to deindustrialization globalisation export and production of boats.

[00:13:13] Economic growth slows down profits fall and so the business community and some in government get worried like they did in the 30s and they say well what's causing the problem now. So they blame the problem on the expanded welfare state right. They said a big government we've been hearing that now for 30 years maybe 40 years. Big government is the problem. And so and they weren't altogether wrong. It's not that big government was the problem but the balance of power had shifted and the welfare state did play a role in that in the way that social workers would support. But the business community didn't suffer example. So access to higher wages the wages were going up during this period and also access to social benefits where there were more benefits and they were more generous. Never really generous but more generous. So if access to social benefits what it did is it was like it increase the bargaining power of the people who were getting both the higher wages and the benefits especially women and persons of color. So they got new leverage it shifted the balance of power to those with less so workers could avoid the worse jobs because with unemployment insurance so they could retire or they could get even. Single mothers could get welfare. It was called aged dependent children that was like a strike fund. They had a full back. And so the way to a better job comes along. So that was one thing that gave the working population leverage so they could bargain as a group and a unions could be argued with their employers. It helped women to escape dangerous interpersonal relationships.

[00:14:47] You know if you battled you had to go you didn't have to stay for economic reasons but that was a new thing then but we know all about that now and that persons of color to protect themselves against racism which is going on. So all these worn down groups got a little more power and so therefore the powers that be said Oh no no that's not fair because they felt like was eating into their profits because of higher wages and so on even lower unemployment makes it harder for them to keep wages low. So they said OK the way to restore profits and economic growth was to undo the New Deal. So now as I said before this has been called Reaganomics supply side economics conservatism or neo liberalism whatever you want to call it the same thing. They wanted to redistribute income upwards from the bottom to the top and downsize. So how was this done if the people who don't know history when I said not just said may be a little unfamiliar but what I'm gonna say next. In social work is familiar with these things even if not in these words but they were. How did they undo the New Deal. So the strategy for downsizing the state was tax cuts. We've heard nothing about tax cuts for 20 years program retrenchment budget cuts. The second strategy the third one was privatisation shifting responsibility from the public sector back to the private sector. The fourth strategy was devolution shifting responsibility from the federal government back down to the states and a systematic attack on the social movements that were best positioned to resist this the coming austerity program.

[00:16:28] So you see each one of those parallels the opposite of what the government did in the 30s. And at the same time now we're getting close to the 80s and the same time we have the far right. Maybe the predecessors of the Tea Party but at the same time the far right started to call for a restoration of a very singular version of family values personal responsibility you know welfare reform as a person responsibility and work opportunities Reconciliation Act and one piece after legislation after another used the way personal

responsibility and its official title. Even though we refer to it that way every day. So they thought that the far right or the New Right thought that the welfare state usurped parental authority because they had too much control over the schools weakened traditional family values and enhanced the civil rights of persons of color in what was now they thought a post racial society. So we don't need these things that the problems have been solved. We don't have poverty anymore they said well these movements have won everything they need so we can get rid of them and they actually did it with the most serious was the labour movement that at its peak what it represented 35 percent of all workers public and private. Today the private sector was less than presentable workers. They do know that 93 percent of all workers in the private sector do not have union protection. The public sector stayed strong. That is 35 percent. So a few years ago Wisconsin's Scott Walker was his name in Wisconsin member that started to say we have to strip public sector workers of their collective bargaining rights.

[00:18:05] The thing is the New Deal gave them so the public sector is holding on but it's starting to lose ground because they kind of had their way with the private sector. There's not no one left in the union like us. You may be wondering then what happens. So we were promised that the benefits of this new laissez faire strategy would trickle down. But the data show that it didn't you know that social workers now that I know it and the data show that this did not happen. Rather what we have since the mid 70s is a tax code that is much less progressive and much higher profits. The problem is jobs and economic growth that was supposed to make things better for everybody did not materialize. Instead revenues government revenues dropped the deficit grew. The re privatized deregulated public sector became the name of the game. Everything was moving in that direction and while government spending fell Except really the highly privatized healthcare sector which has really a life of its own. So while the government spending fell wages stagnated poverty rose and inequality reached new heights so in the middle of all this President Obama got elected. Right. Yeah. We've had such a hold. I hope when he was elected so undoing this new deal was has been an agenda. Throughout the 70s to 90s almost 2000 till today I would say but we weren't sure that at first. OK so I have to ask you this question How did the policies of the Obama administration affect these changes. Right. Well certainly Obama's election was a historic moment in U.S. history.

[00:19:51] Chile elected an African-American man to the presidency is like a party to all of our eyes and it was a total thrill. What has happened since then has been disappointing but not all his fault. I mean many people don't agree with everything he does. People who support him didn't agree with everything you do. But there's there's a bigger problem than that and disagreements. So maybe there was an economic crisis that we just lived through in 2007. Now it's already a while ago but the burst of the housing bubble the crash of the banks the bailout of the banks and so on that was around 2007 went into what now is called the Great Recession. Yes it is called the Great Recession. We don't call the Great Depression. No I don't we don't use we don't like to use. Why don't we the Why do you think we don't like to use that word. This is because of historical memory. People don't like that word. I think the phenomena would be the same. Yeah. And yeah well it certainly was a serious economic collapse. I'm not enough of an economist to say it's exactly the same in terms of what an economist would say. Between this and the 70s and 2007 but it was huge for this country and it had a big impact on the lives of everybody. And you know that housing bubble the foreclosure crisis.

[00:21:05] They said the crash of the banks and many of the things that we probably don't remember anymore that this is because they don't get discussed and I think you're really right this notion of depression is historic memory and it's also the politicians don't like to

use it because it makes it sound worse than it is for those who do remember the Depression they say oh my God you know this can't be happening again. If you call it a recession. Sounds a little more like the ups and downs of the business cycle which are sort of a more normal event. In 2007 it felt like a crisis almost comparable to the thirties in the 70s. But you only know if that's true in hindsight you have to see it through to its end. But in terms of these paradigm shifts there was a kind of hope in the liberal community at least that this neo liberal period maybe was coming to an end because the crisis in the Thirties led to a paradigm shift from laissez faire to liberalism. Then the crisis in the 70s led to a paradigm shift from liberalism to conservatism. So maybe something else was going to happen that maybe it would be a return to some more faith in government a little more liberalism of the kind that social work supports. And we thought that's because 30 years have passed since the last crisis since the 70 at least theory has a past. So we hope for a more progressive wing because I was one of them I in my own mind. Hope for a more progressive paradigm shift and this is kind of sustained you know everyone's waiting and watching and the economists are writing their columns about what's happening and so on then. So if you remember when Obama introduced a stimulus package to try to do sort of the same thing that Roosevelt did during the New Deal. Right. Yeah.

[00:22:45] So he introduced a stimulus package and his opponents decimated it. I mean he got something through but much less that he wanted much less than what the economy needed. And since then there's been congressional gridlock. I mean we don't have to go into this ideological gridlock between the Republicans who won't let anything happen in Congress on Obama's side. He wasn't as liberal as some people saw. So you have a funny convergence here. But even his semi liberal programs are his most liberal initiatives except for the Affordable Care Act really it's been very hard for him to get gay marriage he got a few things through but it's been really really hard. And I think that's ideological and also the rise of the Tea Party and the Tea Party real hostility to a black president. There's another story there which is the role of racism in the gridlock but that is ideological gridlock hostility to government hostility to racial progress. So the stimulus did some good but since then we have suffered we have what they call a jobless recovery. So the great recession is over more or less but we have really weak economic growth. The jobs aren't coming back as fast. I'm not sure if we've made up the jobs that we lost so we may just be starting to make up the jobs with maybe you know something about that data. But there are constant reports about this that are not always consistent so but we do have a jobless recovery.

[00:24:10] There's no doubt about we had the foreclosure crisis which is still going on they don't talk about it so much but every once in a while if you want to read about it you can find out that more and more people losing their houses. And really this congressional gridlock and what I think of as maddening many ideological polarization and I could just take a comment not I mean one of the leaders of the Tea Party and the Republican establishment Eric Cantor they lost his bid for re-election in his district and I think it's the seventh district in Virginia. So it's just it's hard to talk about what's happening without mentioning that now because it's all over the news. But he lost the election. He stepped down from being the house party leader. And so this is a big debate going on now whether this is going to move the Republican Party embolden them more make them less moderate. Move them over to the right we'll get more of this gridlock because establishment Republicans are the ones who don't like the Tea Party so much will be afraid that the Tea Party will defeat them. So the paradigm shift that was expected. This is another maybe a sign that it's not going to happen. It's going to go more to the right than to the liberal and so sounds like the Obama administration the policies of the Obama administration slowed down a little bit the process of dismantling that welfare state. But it didn't really stop and change the paradigm shift. And Brianna is exactly that's what I would

say yes it slowed it down. And certainly the health care was a huge change. But what's interesting about the health care is that it's not really a government program is a huge government subsidy. But I do think it's a privatized program is that what you.

[00:25:54] Nothing close to universal health care program that single payer one that they were talking about. Yes. And the people have very strong opinions about it and it's better than not having one for sure. But I'm not sure it's going to eventually lead us to universal health care when looking for. It'll be another 20 years because it took 20 years from the 1970s to get welfare reform because something happened in the 70s and then took 20 years because they said OK it's done. So people were afraid to. It's like a hot potato politically. People don't want to pick it up and also they it. So it's been done for health care unless it really crashes. We are just speculating of course but basically it's run by the insurance companies not the government. The government subsidizes people who can't afford the prices. But it seems like the prices seem really high for a lot of people even with the subsidy and the fact that 25 states didn't accept the Medicaid program which is going to really make it easier for low income people to access health care and it wouldn't cost as much. I'm hoping that one by one the states will change their mind. Some have started to do that because the federal government is picking up the bill for that. So this tension between private and public which has characterized the history of our welfare state which is going to get us to new public management so we're going to get the dog about that. So I guess we're saying that there was not the hope for a paradigm shift.

[00:27:29] Now it may be getting worse but we really don't know yet. So keep your eyes open but I heard some optimism in your discussion which is I'm hopeful too. And since you mentioned some political event to have that takes place today before I ask you more about your research and the new public management can I ask you why is it that the average person seems to accept and even vote for leaders who favor policies that do not reflect their own self-interest. I get that question all the time from my friends from my students and I ask myself. So I thought about it a lot and I certainly don't have all the answers but I come up with two things that I think play a role in this one is so to win public support for policies that undermine one's economic security and the common good. So people are hurting themselves and hurting the collective of the common good. So the people who vote who supported the budget cuts and you know the people who supported undoing the New Deal and all that they made calculated use of what Naomi Klein You heard me I'm inclined maybe people have heard of her cause the shock doctrine got a lot of attention because she developed the concept in relationship to the Bush administration's discussion of weapons of mass destruction in Iraq and got people to support the invasion of Iraq when it turns out there were no weapons of mass destruction which we found out much later. So that concept that was applied to a lot of different things and what it really means is the shock doctrine is the creation or manipulation of a crisis. So you create a crisis.

[00:29:11] Weapons of mass destruction and then you get people to vote for a war which they would have not voted for. In domestic policy the crisis was the deficit. We basically gave ourselves a deficit by refusing to raise taxes or let's say put it this way. The country gave us a deficit by cutting taxes. If expenses keep going up and you cut taxes you're going to have a deficit right if you spend more than you earn. So if that Reaganomics policy hadn't been in place or that it could have been raising taxes a little more and not had a deficit and with the deficit comes the debt because you have to borrow money to pay off the missing money. So shocked and so you know for years we heard about the deficit. I was going to hurt our economy and how we had. There was this discussion about if we don't raise the debt ceiling if we raise the debt ceiling we'll go off the fiscal cliff with that and there's a discussion. But each year between Republicans and Democrats whether

we can raise the debt ceiling which apparently had been done for years and years and years by both parties until this fight which has been ongoing led to this debate about it. So you could say that while there was some real serious economic problems the creation of the deficit which many economists and liberal economists were arguing was unnecessary because there was no easy solutions. But ideologically people didn't want to raise taxes. And you can convince people to pay more taxes as Clinton did if you target it tie it to something that they want. Clinton said let's raise taxes to reduce the deficit.

[00:30:41] And he got support for it. But it was too short lived. And so that was one thing the shock doctrine would make people afraid of what's going to happen to their economy. And then they say OK you know like people are afraid of crime they'll do anything to make themselves feel safe. It's the same kind of thing people are afraid that is going to happen to the economy. They'll do anything to make themselves feel safe that it won't happen. So that was one thing. The second thing was I always say they sealed the deal by playing the race card the welfare queen card the gay marriage the immigration cards today so that we set up the politics of fear and hate which keep people divided and it to their self-interest. And until recently demobilized we see some mobilization starting to take place. People are sort of beginning to fight back but some of the shock doctrine. And then you bring in these racial divisions in a culture that is always ready to jump on them and especially when people are hurting economically they blame the other they blame the government and they blame the people around them. So I think that's what played a big role in people voting for things that really ended up hurting their own well-being. Who lost if Medicare cut the loss of social security guard who lost that welfare cut the average person. So all these two factors affect people's or cloud people's rational thinking. Yeah that's exactly right that they can't see straight. Fear and anxiety you know we've all been there right for one moment or another.

[00:32:14] And you just can't think straight that cloud is a good word you've been listening to Dr. Mimi Abramovitz discuss the effects of privatization on human services on social work. Hi I'm Nancy Smith professor and dean of the University at Buffalo School of Social Work. Thanks for listening to our podcast. We look forward to your continued support of the series. For more information about who we are as a school our history our programs and what we do we invite you to visit our Web site at W W W dot social work dot Buffalo dot.