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Review of *The Dynamic Welfare State*. David Stoesz. Review by Daniel Liechty

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particularly to the racial and gender inequalities that have permeated the country historically and in present time. The idea of deferred justice challenges readers to re-imagine a reality in which liberation is on hold. Liberation is deeply tied to the roots of American history. However, the vast majority of Americans have yet to truly live the values attached to American nationalism. This book acknowledges this reality and provides a potential solution through collective action, and is recommended for those interested in American Studies, American history, race relations, and social movements.

Cindy Vang, Arizona State University

David Stoesz, *The Dynamic Welfare State*. Oxford University Press (2016), 282 pages, \$35.00 (hardcover).

This book collects and expands research and ideas on the welfare state that David Stoesz has been proposing for the last decade or so. It is very well written, and when the research is presented in this more systematic manner, it allows the reader to see how these ideas mesh. This is a book that every professional concerned with social welfare history and policy will want to digest carefully.

In very broad terms, Stoesz views the American welfare state as including all areas of society primarily concerned with the provision of health, education, security and the benefits of general well-being. In other words, the "state" in "welfare state" refers as much to a state of being as it does specifically to government policy itself. This is a stimulating perspective, certainly worth considering, but it also needs to be questioned. It allows Stoesz to include a massive layer of welfare provisions under the umbrella of the American welfare state that many readers may find misplaced or downright misleading. For example, when comparing the American welfare state with that of other nations in the area of provisions for retirement, Stoesz insists that we have to include private pensions and 401K programs, and not limit our view to only government programs themselves. In the case of this example of retirement security, therefore, America moves from one of the bottom of the developed nations when only government programs are

considered, to being almost at the top among nations, when all of the privately funded pensions and 401K accounts are added to the mix.

Stoesz argues that this wider view is legitimate, and even necessary to make comparisons valid, because these programs, while privately funded, are nonetheless strongly facilitated by explicit government policies and are even partially government-funded in the form of tax breaks and deductions to incentivize corporations and individuals to engage in these retirement savings options. While Stoesz's view is certainly interesting, I am less confident than he seems to be about its obvious validity. I don't claim any specialized expertise on this topic, but like many who spend a good amount of mental energy thinking about welfare philosophy and policy implications, I suspect I would not be alone in feeling a slight of hand taking place here. Valid welfare philosophy, in my view, must be concerned first and foremost with the "least of these..."—that is, people quite unlikely to have generous pensions or fat 401K accounts—and I, for one, am very uneasy about a seemingly facile collapse of public and private programs into one smooth category. It's a bit like the idea that if you look at an average of Warren Buffett's retirement income and mine, it looks like we are both doing really well. But it will definitely feel better to be on the Buffett plan than on mine! We will return to this point later.

Stoesz presents an engaging history of the welfare state in America as consisting of three major eras. The first of these begins with the New Deal, designated as Welfare State 1.0, the most enduring aspect of which is Social Security. Although originally the social insurance aspect of the program was most important, aimed at alleviating the tragedy faced by those widowed and orphaned by accidents on the job and by other early death of family bread winners, the old age benefits eventually became most important, as they are today. Social Security policy stemmed from a recognition that provisions against dire poverty, for the young as well as those in old age, is a collective, social responsibility, and policy was designed to reflect that obligation we have to each other as citizens. In this, America was decades behind the developed nations in Europe, and while there are still those who actively resist the

blow to strict individualism represented in Social Security (and in many other aspects of the attitudinal changes solidified in New Deal programs) this program remains one of the most popular welfare state programs in American history.

Welfare State 2.0 (as Stoesz calls it) might be dated from the many government-supported programs designed to shore up the American middle class after WWII, but is perhaps best characterized by the launch of Medicare and Medicaid during the Johnson years. The symbolic importance of these programs is that it represents the inclusion of another very large sector of general welfare, that is, healthcare, under the umbrella of collective responsibility. It is also important for the fact that, the VA hospital system notwithstanding, there were no government hospitals set up to administer Medicare and Medicaid. Rather it was assumed from the very beginning that the actual administration of healthcare services under these programs would be in the hands of private providers. The government's role was that of payer, not provider. This was very different than the type of classical welfare state that characterizes the system in many European countries.

And finally, we see the movement into Welfare State 3.0, or what Stoesz characterizes as a broad expansion of the provision system into the private sector in all areas. Stoesz rightly suggests that the Dynamic Welfare State is rooted in the backlash against the generally sanguine view of government found in the previous welfare state philosophies, whether of socialist or liberal leanings. Ronald Reagan's loud proclamation that "Government is not the solution, government is the problem," summed up well the neoliberal attitude that reigned more or less unalloyed for the next 30 years. During this period, countless government welfare programs were slashed on the basis of totally unrealistic and largely irrelevant performance goals, and were privatized willy-nilly on the blanketly unsupportable assertion that the private sector can do anything the government can do more efficiently and more effectively (one might have thought that Eisenhower's warning about the functioning of the government/private nexus in the military-industrial complex should have nipped that assumption in the bud, but it obviously did not.) This assumption has only recently come under close scrutiny, as private banking institutions

threatened to collapse the American and even world economy and then looked to the government for a bailout.

It is to Stoesz's credit that it is often very difficult to discern exactly his attitude toward this radical alteration that took place during these last few decades. Does he embrace this development and advocate that we build on it for the future, or does he simply assume that what happened is history and cannot be changed, so let us now make the best of it? One could easily line up passages from the book to make either case. In any event, Stoesz's hope is that we will be much more stringent in bringing empirical studies into play to weed out programs that work from those that do not, and that we will become much more alert to the vested interests of those (including entrenched academics!) who distort and exploit the system as it is.

While demanding evidence-based practices and subversion of entrenched and distorting interests could apply equally to public and private service providers, there is no question that Stoesz's enthusiasm, that is, the dynamism of the Dynamic Welfare State, is directed toward those private, experimental programs that he sees as subverting the entrenched and ineffective programs that are still hanging around from Welfare State 1.0 and 2.0 days. Again, here there are serious problems with this book. The programs Stoesz points to (almost as repeating a personal rosary) that best represent his vision of the future are the Nurse Family Partnership, Teach for America, and the Harlem Children's Zone. Stoesz apparently feels that the greatest welfare sin existing is that ongoing funding for currently established programs too often crowds out funding for these "dynamic" ventures.

I want to emphasize that this is a well-researched book and I have no question that Stoesz has done his homework on these programs. But I myself (no expert, I remind you) have had close conversation with front line workers in at least two of these programs, and just from those limited conversations it is already clear to me that these "dynamic" ventures also suffer from much the same gap between ideals and reality that any other social program does. Furthermore, at least to my pedestrian mind, it looks to me that if one were to start seriously addressing the problems that emerge in these programs

as they are extended to replace the tired old existing programs, we would very quickly find ourselves in the situation in which the names have changed but the very same problems remain. If Stoesz has had such conversations with respective front line workers and recognizes the dilemmas they pose in terms of the programs he admires so much, he gives no evidence of it in this book.

All in all, the basic gestalt of any welfare state is simply this: You can have policy and programming that is (1) highly beneficial to recipients. You can have policy and programming that is (2) very comprehensively inclusive of the citizenry. And you can have policy and programming that is (3) very cost effective and inexpensive for the taxpayers. But, you can't have all three of these at once; you can have at best two of them. The American welfare state has always foundered on the fact that we simply don't want to tax ourselves at the level required to pay for our collective responsibilities toward our fellow citizens, and during the neoliberal era that statement could be made in spades. The problems of the American welfare state are pretty much as simple as that.

Stoesz is very confident that, armed with his empirical studies showing how a little spent here will save us lots over there, we can be convinced to make intelligent, rational, long-term policy decisions that will get us pretty close to achieving the Trifecta. I am much less confident that this is a realistic assessment of the electorate and politics of the USA. Including privately funded pensions and 401Ks in our stats (to return to the example outlined above) may make things look better on paper. But in effect, as we have seen repeatedly, it is the second element of the welfare gestalt that suffers—large segments of the population are simply left out in the cold to fend for themselves. I will resist pontificating, based on the current USA election, about what can happen when such large segments of the population are simply left out in the cold to fend for themselves. But if the reader finds herself musing about this connection, my job as a reviewer will be accomplished.

Daniel Liechty, Illinois State University