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The Generational Equity Debate. John B. Williamson, Diane M. Watts-Roy and Eric R. Kingson (Eds.).

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John B. Williamson, Diane M. Watts-Roy and Eric R. Kingson (Eds.), *The Generational Equity Debate*. New York: Columbia University Press, 1999. \$ 49.50 hardcover, \$ 25.00 papercover.

For many years, social security was regarded as a prime example of how government action could address pressing social needs and help create a more caring society. Today, just sixty years after its inception, the nation's social security system is under siege and calls for its privatization are commonplace. While social security was previously universally popular, its legitimacy is now in doubt. Many younger tax payers believe that the social security system will soon be bankrupt and that they will not receive social security when they themselves retire. Many believe that the system is inherently unfair. They claim that many old people have adequate private incomes and that the subsidization of their affluent life styles by the younger generation is unfair.

This important book reviews the argument currently raging around social security. It suggests that these arguments can be framed in terms of two major approaches, namely the generational equity approach and the generational interdependence approach. The former views the transfer of resources from those in regular employment to the elderly as unfair and economically unsound. The latter believes that the generations are inextricably linked and that the well-being of all depends on a social contract being forged and maintained between them. The book contains excellent contributions from leading protagonists on both sides. Strong opinions are expressed. For example, Peter Peterson, President of the Concord Coalition, which has vigorously advocated the privatization of social security, claims pessimistically that if social security is not 'reformed', the future economic health of the nation will be in jeopardy. Jill Quadagno, an important academic scholar working in the field, castigates what she described as the 'myth' of a social security crisis, suggesting that the case against social security amounts to little more than a well-orchestrated ideological campaign. But while expressing strong views, these and other diverse contributions are well argued and show how complex the issues are.

The Clinton administration has managed to fend off the attacks which have been mounted against social security. With

presidential elections in sight, it is uncertain how the debate will ultimately be translated into policy. This book offers an helpful overview of the arguments and should be widely consulted not only by academics but by anyone concerned about the future of social security.

Joel Blau, *Illusions of Prosperity: America's Working Families in an Age of Economic Insecurity*. New York: Oxford University Press, 1999. # 30.00 hardcover.

Although capitalism's productive dynamic creates unprecedented economic prosperity, it also results in the concentration of wealth and income, and the perpetuation of poverty among those who are unable to participate effectively in the market. It is for this reason that 19th century liberal reformers and democratic socialists campaigned to regulate capitalism and mitigate its excesses. They advocated the strengthening of unions and the introduction of regulations that would protect labor and improve workplace conditions. They also worked for the creation of a comprehensive network of social services that would ensure adequate standards of living for all. The institutionalization of these measures in Europe resulted in what is known as the social democratic settlement or, more colloquially, as the welfare state. Although these reforms were not institutionalized to the same extent in the United States, various efforts to moderate capitalism were adopted.

Since the 1980s, these measures have been slowly eroded and today, as Joel Blau shows, unfettered capitalism is again triumphant. The result is a strong economic growth, huge profit margins and a concentration of wealth only rivaled by the boom years of the late 19th century. Despite the fact that many ordinary Americans have not benefited from the economic prosperity of recent years, they retain an unshakable faith in the the capitalist system. Blau shows how incomes for many middle class Americans have stagnated, how downsizing and lay-offs have hurt many hardworking employees, and how tax cuts have done little to assist working people. Despite these realities, most Americans believe that they have never had it so good. To make matters worse, education, employment training and welfare have all been subjugated to the market. Instead of mitigating the excesses of