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Tragedies of Our Own Making: How Private Choices Have Created Public Bankruptcy. Richard Neely. Reviewed by W. Joseph Heffernan, University of Texas, Austin.

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in works inspired by the street-level approach, Rothstein in his seminal work on employment services has manage to capture their lay character through the concept of "cadre" organizations, while Roine Johansson focussed on the client-relation in a study of agencies very similar to Hvinden's research objects.

Whatever criticisms and questions that this book might provoke, there is no doubt that it is an innovative and at times brilliant study of the administration of social welfare.

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By Richard Neely's statement the purpose of his book is to pull together the various strands of our perception of public bankruptcy in US social programs; (1) the belief in the declining efficacy of social welfare programs despite the infusion of more dollars, (2) the collapse of public education, (3) the failure of industry and governments to deal with declining productivity of the American labor force, and (4) rising crime along with rising expenditure on crime control. We are also promised to be provided with a blueprint to cheap and efficient ways to reverse the deterioration in public programs and the loss of faith in government. This is an ambitious task.

Neely, from his experience as judge and later Justice of the West Virginia Supreme Court structures his argument around the obvious truth that bad private choices lead to unintended public problems. He is most specific with regard to decisions about the creation and dissolution of the family unit. He argues that citizens need to be better informed about the real costs and the real benefits of the private choices that they make. He argues that it is in the interest of society to subsidize good choices and penalize poor ones through programs of social intervention.

The concept of social intervention implies a "rebuttable presumption" that the most desirable mode of choice is a network
of private arrangements; a justification of social intervention is based on the definition of conditions where the central presumption is rebuttable. In a democratic society we define that condition through a political process.

Neely begins correctly, in my view, by establishing the point that social problems have social causes that is choices by individuals in social situations. Individual choices are often irreversible but new social interventions can make "bad choices" less likely. These social interventions while providing a net social benefit also have real social costs. Neely proceeds to show that the distribution of social costs of corrective action and the distributions of social benefits of that corrective actions are often at political odds with one another. Those who benefit are not expected to, or are unable to, bear the costs; those who are expected to bear the costs do not directly receive the benefit. This mal-distribution of costs and benefits of social programs leads to under investment in social programs from a societal prospective. Neely cites such diverse economists as Nobel Laurelist James Buchanan and Kenneth Arrow to support his view. More to the point the first two chapters of his book are a lucid and readable restatement of their arguments.

Neely makes a further point; there is a tendency to mal-invest in social programs because providers, (social workers, teachers, health care providers etc.) establish the political support for programs rather than those who are targeted to benefit. The providers benefit from the program being in place without regard to the net social benefit of the programs or even the benefit to the recipient.

Efficiency in social programs is at bottom a problem in who is measuring the costs and benefits of social interventions and their capacity to translate that perception into public programs. Simply because you or I or Judge Neely does not see or feel a social cost does not mean a social cost is not there. In the final chapter Judge Neely tells us for example that "free norplant" is the ideal solution for our illegitimacy problem. He doesn't entirely forget his argument that someone has to pay for the norplant. He suggests that if we would be but willing to give norplant to rich teenagers as well as poor teenagers, the mal-distribution of costs and benefits would be solved. He asserts, as an aside, that this would be politically difficult but says that the political difficulty does not reduce the argument that it would be an efficient way
to reduce illegitimacy. It is politically difficult not because of any
defect in who pays for the implantation. It is politically difficult
because we are divided on the valued definition of the problem.
Many Americans believe that it is the notion that teenage sex
can be had without adverse consequence, not illegitimacy, which
is the real problem; while many other Americans believe that
sexual "misbehavior" is inevitable and we should seek to control
its consequences i.e. norplant.

Neely seems to forget that by the simple device of ignoring
the costs beliefs of those whose perceptions differ from our own,
all social problems become capable of easy and efficient solution.
Judge Neely says that the centerpiece of his whole book is a need
for a massive publicly sponsored advertising campaign to explain
to the public what is happening to us. (p. 150, Neely) He admits
that "when we are talking about divisive political matters (like
whether to raise taxes or invade Cuba) propagandizing with paid
media is entirely inappropriate." (ibid.) He then likens the ads for
norplant to the ads for the polio vaccines. The difference he tells
us is that there is no political lobby against vaccines the way their
is against contraceptives. In fact there were several groups against
the vaccine but they lost the political battles. Who is going to write
the ads about the social benefits and costs of norplant; The Cath-
olic Council of Bishops or the National Organization of Women?
The question is whose values about "sexual misbehavior" and
whose values about the "illegitimacy" should guide us about
public policy towards norplant and a public subsidy for its use.
We already have a massive advertising campaigns to explain to the
public what is happening to us; they are called media campaigns of
interest groups. The political lobby against contraceptives, which
Neely deplores, is simply someone else's effort to explain to the
public what is happening to us.

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