September 2003

The Distributional Aspects of Social Security and Social Security Reform. Martin B. Feldstein and Jeffrey B. Liebman (Eds.).

Follow this and additional works at: https://scholarworks.wmich.edu/jssw

Part of the Social Work Commons

Recommended Citation

Available at: https://scholarworks.wmich.edu/jssw/vol30/iss3/18
children. She points out that prison visitation rules impede the development of these relationships and she urges the authorities to adopt policies that will enhance contact. Since many children of incarcerated fathers are involved with the statutory child welfare system, she proposes the child welfare and correctional personnel cooperate more closely on these cases. She also urges that improved parenting and educational opportunities be provided for fathers and that support networks be developed. Many other issues of policy relevance are discussed in this engaging and well-written book which deserves to be widely consulted and commended for addressing an important but neglected topic.


Social security reform (as privatization is euphemistically known), has been on the political agenda since the 1980s but so far, the hopes of those who favor the abolition of America’s most popular and effective social program and its replacement with commercially managed individual retirement accounts have not been realized. Despite sustained lobbying, support from both Republican and Democrat politicians, the appointment of a President Commission, and a large number of research studies, books and conferences designed to show that privatization will provide income security for elderly people when they retire, social security remains in tact. However, many believe that the Republican Party’s recent electoral successes may finally result in legislation that will partially privatize the social security system and introduce commercially managed retirement accounts.

In the mean time, the campaign against social security continues apace. Media reports continue to present alarming reports of the impending crisis of an aging population that will be forced to rely on a declining and overburdened number of productive workers for income support in their retirement. Similarly, reports of the imminent bankruptcy of the social security system are issued with monotonous regularity even though the system continues to receive more income from payroll taxes than it pays out in benefits. Scholarly books designed to provide scientific evidence to support the need for urgent social security reform continue to
be published. The book by Martin Feldstein and Jeffrey Liebman dealing with the distributional aspects of social security is in this genre. It is the latest in a series of publications by the National Bureau of Economic Research advocating the (partial) privatization of the nation's social security system. It tackles what many experts have claimed is one of the major drawbacks of an individualized system of retirement provision, namely the inability of individualized accounts to redistribute resources. In social insurance systems, resources generated through progressive contributions can be redirected towards those with low incomes to provide an acceptable minimum level of benefit. In an individualized system, contributions accrue within the personal account and cannot be redistributed.

While there are legitimate objections to redistribution, there is widespread consensus in many industrial nations that redistribution through social insurance is fair and necessary if all retired elderly people are to be prevented from living in poverty. The task of the opponents of social insurance retirement systems is to undermine this consensus and show that it is, in fact, unfair and ineffective. Although this is a daunting task, Feldstein and Liebman have compiled a collection of contributions which address the issue with gusto and a well argued and coherent case. Although some of the book's ten chapters do not in fact advocate social security's privatization or partial privatization, most contend that privatization would, in fact, have a fairer distributional consequence than the current insurance funded system. This conclusion is based on several arguments including the claim that the current system is not, in fact, as fair in the way it redistributes resources as its proponents have claimed. Another argument is that the current system depresses savings and therefore impedes distribution through private means such as bequests. Some authors argue that private individual accounts will allow the accumulation of assets which can be passed in a fair and just way to the next generation, while others contend that these accounts promote asset accumulation among the poor and that this will enhance their income and wealth.

This book should be required reading for anyone concerned about the future of social security. Its contention that privatization will have better distributional consequences than the current
system is an audacious one which should be understood by social security's proponents. It should also be compared with the evidence being collected in other countries such as Chile which have already privatized their social insurance systems. The fact that the Chilean government now spends sizable tax resources through social assistance subsidies to supplement the incomes of poor elderly people while, at the same time, underwriting the profits of commercial carriers, presents a somewhat different picture to the optimistic one presented in this book.


Prostitution is currently a key social, political and economic issue in many communities across the country and around the world. Kuo indicates that her interest in prostitution policy was sparked while attending a conference in Amsterdam which has a much more liberal stance toward the sex industry than the United States. Although prostitution in a few communities is considered a legitimate business operation, in many cases it is labeled sexual exploitation at best and criminalized sexual behavior at worst. In this book, Kuo indicates that prostitution is a very different social issue when viewed through a gendered lens. The image of prostitution as an enterprise is greatly altered when observed from the perspective of the women involved.

This book reviews public policies dealing with prostitution from a predominantly feminist perspective. Kuo breaks these policies down into their component aspects: intrinsic characteristics; conceptual construction; current practice; ideal practice. The author is mainly interested in anti-abolitionist prostitutes and policies in favor of prostitutes rights. In this case, the author uses the term anti-abolitionist to connote those who believe that prostitution should be considered a legitimate option, and that it is not necessarily as exploitative as some of the other options available to women today. Most of the data for this study was gathered through interviews with working prostitutes and other stakeholders in the community.

One of the aims of this book is to clear up misconceptions about the prostitution industry. First, although the most frequently observed form of prostitution, streetwalking does not