Review of *What Government Can Do: Dealing with Poverty and Inequality*, by Benjamin I. Page and James R. Simmons

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expansion of literacy, and the enlargement of public health care were not intended to ready the nation for a market economy but did precisely that for postreform China.

Sen concludes his tour de force with a reiteration of his basic arguments. “While economic prosperity helps people to have wider options and lead more fulfilling lives, so do more education, better health care, finer medical attention, and other factors that causally influence the effective freedoms that people actually [get to] enjoy” (p. 295).

These complex issues receive little attention in U.S. public debate. But decisions that affect the dynamics Sen describes are made every day in poor countries and in international agencies and donor countries. Sen performs the great service of arguing the critical need to supplement and regulate markets to help poor people achieve freer lives, and he takes on both the more moderate and the more ideological critics of those strategies.

It might seem crass to conclude by thinking about the consequences of Sen’s arguments for poor people in the richest country, but perhaps understanding those arguments as they apply to the United States might encourage us to apply them to countries we know much less about. One view of the Clinton administration’s economic policies is that under the tutelage of Treasury Secretary Rubin and Federal Reserve Board Chairman Greenspan, President Clinton gave up his cherished dreams of massive reinvestment in infrastructure, health, and education in order to reduce the federal budget deficit. The goal was to satisfy the long-term bond markets, reduce long-term interest rates, and hence increase investment and employment. The policy seems to have worked. And increasing employment is a crucial part of Sen’s notion of economic freedom. But economic safety nets, access to adequate education, affordable housing, and health care are also critical components of economic and social freedoms. In a longer-term perspective, the Clinton administration’s failure to add to these other freedoms in order to achieve the scale of reduction in the federal deficit may turn out to have serious consequences for poor people. Sen gives us the encouragement, the evidence, and the arguments to engage this vital debate, and he does it with enormous clarity, evenhandedness, and compassion.

Malcolm Bush
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Every few years a book is published that is designed to be accessible to a broad audience and to state plainly that government is far more effective than it is often made out to be; that social policy is really not destructive of basic work and family values; or that the time has finally come to push for a progressive agenda to guarantee access to a decent education for all, good jobs for those who can work, social insurance for those who cannot, and public assistance for those who for legitimate reasons are not able to have their needs otherwise met. These books usually are true to their word: accessible, demonstrating government’s effectiveness, and outlining a modest progressive agenda. There was John Schwarz’s America’s Hidden Success (New York: W.W. Norton, 1983); Theodore Marmor, Jerry Mashaw, and Phillip Havey’s America’s Misunderstood Welfare State (New York: Basic Books, 1990); and E. J. Dionne’s They Only Look Dead (New York: Touchstone, 1997). Now we get What Government Can Do by Benjamin I.
What Government Can Do

Page and James R. Simmons. This book is in many respects similar to its predecessors: well written, well documented, and a convincing plea for a real welfare state in the United States.

Yet, this book is not just reiterating or even updating work that has preceded it. It is also distinctive in its own right. Its distinguishing argument is that government social and economic policies are not just needed but are actually quite good at reducing poverty and inequality. The book provides a survey of public programs to indicate that if only given the chance, government could reduce inequality and even begin to eliminate poverty. This is no small claim, but this book largely delivers on it in the most concrete and straightforward way. Rather than offer a sophisticated theoretical argument, it makes its case by way of supplying an avalanche of evidence.

In three different ways, Page and Simmons address the issue of need for government policies to attack inequality and poverty. First, they provide statistical evidence that inequality and poverty are serious problems for American society. Second, they effectively place reducing inequality and poverty among the major functions of government, highlighting how government policies that limit inequality and poverty buttress the fulfillment of other fundamental purposes of government to establish the foundations for a market economy; provide basic public goods that cannot be provided efficiently through the market; ensure economic growth and stability; and help promote a sense of fairness, community, and inclusiveness that is conducive to maintaining social order. Third, and most impressively, Page and Simmons provide extensive coverage of all the major social and economic policies of the government today, highlighting their strengths as well as their weaknesses. They are especially effective in supplying concrete information that debunks myths about the supposed ineffectiveness of social and economic policies. Where there are weaknesses in current policies, What Government Can Do highlights how politics have often constrained policies so as to placate special interests and minimize interference with profit-making opportunities through the market or from government handouts.

What Government Can Do surveys tax policy, education, jobs policies, social insurance, and welfare programs. Its conclusion is that if serious political commitment were made to supporting policies that reduce inequality and poverty, then government’s effectiveness in attacking inequality and poverty could shine through for all to see. The political explanation for problems in social and economic policies is not new, though Page and Simmons do a good job of updating it for various policies with the latest statistical evidence on such matters as who benefits from tax breaks, how corporate welfare is wasteful, and how social policies, whether for subsidizing incomes of single mothers or providing public housing, are constrained by the need to placate powerful political interests during the policy-making process. Page and Simmons also use the latest empirical evidence to demonstrate effectively the solvency of Social Security and to question the supposed negative effects of welfare on work and family values.

Using evidence to cut through the fog of deception regarding our most fundamental social policies is important political work, and it is done in the most thoroughly documented way here. Yet where What Government Can Do is most especially effective is not so much in debunking the opposition to social policies as it is in demonstrating the effectiveness of policies as they are operating in government today, even before reform sets in to correct the distortions wrought by politics. The book is especially effective in doing this when it comes to social insurance programs, but Page and Simmons’s use of the latest empirical evidence is also impressive in demonstrating the effectiveness of wage supplementation policies, education programs, and even much maligned welfare programs such as the Food Stamp Program.
In the end, Page and Simmons return to the progressive agenda that others have advocated. Consistent with the rest of their book, Page and Simmons want to emphasize how the facts basically speak for themselves and support the classic model of a social welfare state where everyone is guaranteed a quality education and a good job at decent pay, supplemented by government policies where necessary, with social insurance benefits to cover those situations where people cannot work and public assistance for those whose needs remain unmet. And given the evidence they supply, it is hard to question that with sufficient political commitment, the U.S. government could quickly elaborate such a system even from existing policies.

What Government Can Do, therefore, replenishes the stock of books that plainly state the progressive agenda for social policy. This is a worthy cause and a needed exercise, in need of being redone periodically so as to stay current and provide the latest information documenting the good works in social policy. And a book such as this is good scholarship even if only in its own way, offering as it does a wealth of empirical evidence while trying to minimize theoretical insights in the name of keeping the narrative accessible to a broad audience. Yet, it is that latter goal that points toward a flawed, unstated political premise of books such as the one under review here. The fact of the matter is that these books do not matter much politically; they do not generate public support for the welfare state and do not result in the country getting any closer to adopting the agenda proposed. While mass-marketed books on the right are often successful in reinforcing prevailing prejudices—one need only think of Charles Murray’s Losing Ground (New York: Basic Books, 1984)—books on the left seem to be less effective because they are challenging rather than reinforcing prevailing prejudice. I hold out little hope this book would, any more than the others of its genre, create a groundswell for its agenda. I fear that its impact on public discourse will be small compared to Losing Ground.

The question needs to be posed: Who reads these books? One suspects that these books are preaching to the converted. Now, I feel there is value in such an exercise in spite of what the cliché suggests. Preaching to the converted helps keep the flock in place, reminding them of their shared vision and reinforcing commitment. Yet, the converted in this case are a small minority of the American public. And if simply attending to the flock is the only realistic goal to be achieved here, it needs to be said that this is a qualitatively far more limited vision than what I think is the one that informs this book. What Government Can Do offers a narrative that foregoes making sophisticated theoretical arguments and eschews attempts to advance scholarship in the name of trying to put the facts before the mass public in order to inspire support for more progressive social policies. The fact of the matter is that facts are not dispositive when it comes to politics. Good arguments grounded in the best available facts do not make public policy. If they did, we would already have the progressive welfare state argued for in this book. Instead, public policy is influenced by far more than facts. We also need to consider the role played by stories, rumors, and gossip, as well as ideology and ideas. We also need to account for the structure of power in our society and how it limits consideration of the facts and distorts the best ideas. Page and Simmons are aware of these matters and suggest at the end that reform of the political system will be a necessary ingredient of any strategy to realize the progressive welfare state.

Perhaps, then, the most important stage for a book such as this is not the public sphere so much as the undergraduate classroom. There a new generation of citizens can be made aware of the basic facts concerning the necessity and effectiveness of social and economic policies. While this is hardly the dramatic stage
of mass mobilization, it is a noble stage nonetheless, and this book is deserving of that platform.

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This is a surprisingly engaging and well-written story of the federal budget process as revealed through the lens of the national Food Stamp Program. The surprise is not Ronald King’s capacity to tell a story in an interesting manner, as welcome as it is, but his ability to make the often complicated and sometimes boring machinations of Congress and the White House come to life for the reader. So well has he pulled off this feat that *Budgeting Entitlements* is a work of interest and usefulness not only to scholars of public policy but to graduate and undergraduate college students and even to the general reader who wishes to know more about the inner workings of government policy.

A thoroughly researched book on a political struggle whose protagonists are Republicans and Democrats in the White House and Congress, King’s account really is about the conflict between human compassion and the cost of doing good—about our nation’s struggle with the Western concept of an ethical society and the costs of assuming the responsibilities that it entails. To be certain, this is not a new or even unique struggle in our nation but an ongoing policy debate with two poles: the collective responsibility for promoting the public good by protecting those in need and the fiscal responsibility to see that our bounty is not unduly spent. Indeed, this struggle is at the very heart of American social policy, particularly since the Great Depression brought it center stage and the New Deal transformed the way that we think about the relation between government and the individual. But both before and after the 1920s and 1930s, even as our collective sense of responsibility for individual well-being changed, cost has always been a factor: do we have enough to pay for what we might wish to do, and will benefits go only to those who need and deserve them?

In a sense, King’s work is but a more recent treatment of this classic policy debate with the costs of the Food Stamp Program as its modern-day context. The only difference, he notes, is that the struggle over food policy to protect the nation’s hungry takes place at a time of growing “fiscalization” of public policy. Every possible initiative to help the downtrodden has a price tag—both fiscal and political—often imposed before need even is evaluated. Virtually every debate over federal policy is one about the budget, virtually every discussion is framed (initially and often permanently) in terms of the costs rather than the need, and virtually every consideration is about short-run costs rather than long-term social benefits. These political shackles largely are forged by elected officials who dance the dance of being both compassionate and conservative in order to placate competing constituencies, even as they tie their own feet with the rhetoric of no new taxes. “In a world in which raising taxes meant political suicide,” notes King, “in which discretionary spending already has been severely trimmed, and in which the notion of public obligation to protect adequate welfare was increasingly under attack, it was logical to expect that the demand for effective entitlement restraint would reemerge with a vengeance” (p. 188). He refers to the policy debate over welfare devolution of the mid-1990s, of course, but this gets us a bit ahead of the story.

In a more narrow sense, this is a book not only about the unresolved tension