SOCIAL WELFARE POLICY IN AN INFORMATION AGE:
NEW VISIONS OR MORE OF THE SAME?

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Abstract: *As we move into the 21st Century, the social policy enterprise stands at the nexus between technological, political and social forces that will undermine the base that contemporary programs and policies depend upon. Assumptions about work and the workforce, the nature of governance and the role of technology will radically change. If our social welfare system is to remain relevant, changes will be needed. This paper explores these changing systems and examines how they will influence the current system. It will also speculate on the types of changes that will be necessary if social welfare is to remain relevant to the society of the future.*

INTRODUCTION

The past few decades have been trying times for those involved in with the American social welfare policy enterprise. Massive cutbacks, the impacts of a world wide trend toward devolution, a conservative political climate and a number of emerging social problems make the social policy world seem both chaotic and threatening. Many social workers long for the good old days of the 1960s and 1970s and fear that decades of progress toward an American welfare state are being undercut and destroyed by shortsighted, wrong headed and destructive economic and political actors.

Political and economic change has done real damage to the social safety net and called into question programs once considered secure. It is easy to explain these developments as the fortunes of political battles and the outcomes of conflicts between money and greed vs. virtue and truth. While there is definitely some truth to this argument, it is far from the whole story.

American social policy is at the convergence of an economic and political transition that is changing the playing field within the social welfare system and within society as a whole. This is a process that has been developing for several decades and we ignore it at our peril. In this paper we will explore this transition and provide some ideas about how if might evolve. More importantly, we will examine the implications for the future of the American welfare state and for social welfare policy.

THE WELFARE STATE IN THE INFORMATION ECONOMY

The American welfare state, as we know it, is a product of industrialization and the aftermath of the institutional changes necessary to support the various aspects of that process. Wilensky and Lebeaux (1965) note that industrialization not only created the need for a welfare state in the United States, but also the economic capacity to create a welfare state. As we transition yet again to an information society, some of underpin-

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nings of an earlier economic order are going to be radically altered, as will the problems that are created by the transition.

While industrialization leads us to one type of social order, the information economy leads us in other directions. The growth of the factory system and the assembly line were key features of the industrial economy. These systems required a large number of workers to be concentrated in one place, which led to immigration and ultimately to the growth of urban areas (Garvin & Cox, 1987). It also led to the creation of formal jobs as a social construct (Bridges, 1994) because of the need to have continuous access to workers. Employment was often life long (although lives were shorter) and secure, save for retirement and occasional unemployment. Benefits were provided not only to maintain the workforce, but also to encourage employee loyalty[1]. This was the beginning of the occupational welfare system in America. As Titmus (1974) observed, occupational welfare was one of the major components of the welfare state. The benefits that employers provided eventually eclipsed those provided by government for many workers.

Against this backdrop, the American social welfare system evolved. Most social workers would agree that the centerpiece of this process was the Social Security Act of 1935 (Trattner, 1998). When this watershed legislation was passed, it addressed many if not most of the most pressing problems of the day. As long as things remained as they were, there was reason to believe than many of the problems were being addressed. Social policy activity refined and expanded the existing model.

In the 1970s, things were beginning to change in dramatic ways (McNutt, 1996a; 1996b; Beniger, 1988; Williams, 1988; Dillman, 1985; 1991; Cleveland, 1985; Porat, 1977; Huey, 1994). The information sector began to push for dominance, reducing the industrial sector's importance. We saw some of the result of this transition in the 1980s as plant closings and capital flight became commonplace. Unemployment compensation, designed for downturns in the industrial sector, was no longer an adequate response. Several states exhausted their unemployment compensation funds in the 1980s and 1990s and required additional funds from the federal government.

We began to see a movement from the industrial economy, based on manufacturing, to an information economy, based on knowledge work. Knowledge work is different from industrial factory work. This changes many of the dynamics that any social welfare policy enterprise must address. While the social welfare system of the 1950s and 1960s could count on long-term, relatively stable industrial employment, by the 1980s and 1990s, that was no longer the case.

The knowledge economy has less of a need to concentrate workers in a given place. This means that pressure toward urbanization may be less and that firms can locate operations wherever they want. Knowledge work also requires more advanced skills than manufacturing work. This means that more poorly educated workers are excluded from the more desirable jobs, a situation identified by dual labor market theory. Knowledge workers are often needed for a brief span of time, and then are off to other assignments (Bridges, 1994). Firms in an information economy have less need for a consistent workforce and more need to be able to change the organizational skill mix to meet new competitors. The pace of change is much quicker in an information economy and organizations must adapt

to this more volatile environment.

This change has lead to the growth of virtual organizations and a theater model of employment. A virtual organization is one that has a small permanent group of employees and out sources most of its functions to other organizations or individuals (Voss, 1996). This means that the virtual organization can easily restructure itself to meet new environmental threats. While this was always an option, information technology makes the considerable coordination burden far lighter. In a theater model of employment, workers are employed on a project for as long as their skills are needed. After that, they move on to other projects. There are often no benefits provided and workers are responsible for maintaining and upgrading their skills. Formal jobs may no longer exist (Bridges, 1994; Rifkin, 1995). This, of course, creates a good deal of insecurity on the part of the workers and separates them from employer paid benefits in many cases.

This is not a possibility for a distant future--this is a change that is occurring now. A considerable portion of the US Workforce is made up of part time, temporary and contingency workers (Bluestone & Rose, 1997). These are people who often fall outside the eligibility structure for many workforce based income support programs. Not only do they often lack security in the workplace, but they even lack security in the social safety net.

This situation will describe work life for people who have the appropriate range of skills, education and most critically, the ability to use information technology. While this is certainly not desirable, a far worse fate awaits those who cannot become part of the information revolution because they lack these characteristics. Unfortunately, for many, we have the digital divide (Mossberger, Tolbert & Stansbury, 2003; Norris, 2001; McNutt, 1998; Ebo, 1998; McConnaughey, Everette, Reynolds & Lader, 1999) that creates two groups--those who can participate in the information economy and those who cannot. Many of our current workers lack the skills and access to technology and networks that will allow them to have inclusion in the information sector of the economy. Because information technology infiltrates the other economic sectors, many current jobs will be out of reach as well (Beniger, 1988). They will become the information poor and will be shut out of all but the most menial work situations. Research into the digital divide suggests that most disenfranchised groups in the industrial society will remain disenfranchised in the future.

The social welfare implications of these developments are enormous. One of the reasons that the United States has been able to maintain a rather minimalist formal welfare state is the occupational welfare system. Firms are under great pressure to reduce benefits in order to cut cost. As this occupational welfare system recedes, tax expenditures and the small formal welfare system will have to cover additional ground. This comes at a time where soaring deficits and ideological pressure for tax reform cloud the political agenda. In addition, the digital divide will create a new underclass that will add to the one that was inherited from the industrial order. This situation might be described as the "perfect storm" of post-industrial social welfare.

In addition, the global reach of the information economy appears to weaken the state, as governments compete for economic activity and jobs. While this is especially true at the state and local level, the ability of nation states to deal with large multinational orga-

nizations is open to question. Pressure to reduce taxes and created a good business climate has lead many states to drastically cut benefits and services. This also leads to outsourcing and governmental efficiency efforts. Some political scientists have offered the opinion that this will lead to a hollow state that only taxes and minimally regulates, leaving services to third parties (Peters, 1994). As states grow weaker, the ability of social welfare groups to mobilize and pressure government to increase services and benefits is constricted.

One way that government has tried to cope with this situation is the rise of electronic government (West, 2001; Fountain, 2001). This has a number of aspects including electronic government information, government services (including social services), e-procurement and digital democracy. The latter term includes wired legislators, e-rulemaking, electronic voting and town meeting and a range of other electron participation techniques. While the aim of all of this is to make government more user-friendly and less expensive, it can also have the impact of moving government out of the reach of those who are on the wrong side of the digital divide. This applies to individuals and organizations.

The reduced power of government, coupled with efforts to move deliberation in government on line, can create new challenges for those who advocate for social welfare programs. This is especially true for those who plan to use only traditional advocacy techniques (McNutt, 2003).

While social welfare systems are products to the times they evolved and the economies that support them, there are usually choices that can be made about the direction of change. It is critical that social workers carefully examine the social welfare system and their role within it as society evolves.

TOWARD A POST INDUSTRIAL SOCIAL WELFARE SYSTEM

Social policy can take many paths in the future. We may decide on a minimalist social welfare system that is characterized by declining traditional benefits and services. This system will meet fewer needs while over spending for those who were needier in the industrial society of the past. Public support of social welfare will continue to decline because people will see it as less and less relevant. Social workers will find themselves more marginalized and frustrated because the policy context will not support them and will fit poorly with the problems that developed. This path represents the stay the course alternative in American social policy.

On balance, we might make choices that lead to a better place for society and for the profession. This creates a social welfare system that enjoys public support because it meets current needs and fits well with other elements of society. It also requires some hard choices and political skill. We must recognize that the workforce of 2005 is not the workforce of 1935. A social welfare program that is supported will fit well with the economy that we have today and not the economy that our grandparents experienced. What would this program look like?

We might consider that replacing Social Security, unemployment compensation and most our public welfare programs with a global income security blanket program makes more sense. The majority of these programs were designed for another time with a different society and a much different economy. A more broad-brush effort would provide a

minimal income floor across the life span. It would address the problems of child poverty, unemployment and poverty after retirement.

In addition, National Health Insurance might form the second major pillar of a future-oriented approach. Health care is a large part of the cost of employee benefits and the number of uninsured people in the United States is a national embarrassment. If people move quickly from employer to employer, health insurance is likely to become even more of a major survival issue than it is today. Many of the problems that we currently experience are a consequence of taking a piecemeal approach. A more comprehensive and preventative approach will be more cost effective and ultimately more successful.

These are policies that have had a hard time finding acceptance in the past. As time progresses and the situation with employment and benefits becomes more apparent, resistance should decrease.

The digital divide must be considered a priority social policy issue for the future. Assuring that every American has access and that every American has the skills and technology to make proper use of that access is critical. It is as essential as free public education, universal phone services or any of the things that we are sure everyone need to live a successful life.

One might expect that, aligned with the movement toward e-government, more and more social services would be moved on line. This will allow for greater access and more immediate response to human needs. It will also allow cost savings and more flexibility for agencies and workers. This should lead to a revitalization of the professional association as access to training, insurance and so forth become detached from the workplace.

It is also likely that human services will follow the trend toward more part time and contract employment. In addition, many human service organizations will also become virtual organizations. In this new world of human services employment, social workers will work for a number of organizations on an as needed basis. They will need both appropriate supports and again, professional associations can fill these roles.

It is also likely that various forms of e-practice will develop and will eventually dominate many practice environments. The growth of virtual communities and virtual environments will require practice that can deal with those emerging areas of life. If agencies move toward a virtual organization form, technology based practice will fit well into these reconstructed organizations. Appropriate policy instruments in terms of licensing laws and vendorship requirements will support these new work environments. Social work can resist this change but the results will be damaging to the profession's credibility and ability to control its own practice settings.

Perhaps the most serious ramifications will be for managers in the social services. Managers will find themselves working with networks as opposed to hierarchies (O'Toole, 1997). This will require a different mindset and new skills. It will be a different world for those who are learned to manage bureaucracies.

Technology will also be a critical part of making policy (McNutt & Boland, 1999; Hick & McNutt, 2002; West, 2001). The legislative body of the future will continue the significant progress made so far and use technology to support deliberation, citizen participation

and public information. Administrative organizations will use it to create new regulations and facilitate the growth of public participation. Interest groups, lobbyists and social movement organizations will use it to gather information, inform the public, organize supporters and pressure decision makers (McNutt & Boland, 1999). On balance, those individuals and interest groups that do not make use of technology will find themselves left out of the discussion--other victims of the digital divide (McNutt, 2003).

The policy framework will undoubtedly be more reflective of a mixed economy of care (Smith & Lipsky, 1993). Responsibility for policy making will continue to be shared, not only by different levels of government, but by nonprofit and profit making organizations. While some regard devolution as simply a move from federal to state responsibility, it is already apparent that the trend continues to local government and non-governmental organizations. It is also unclear what the role of multinational organizations will be in the future. Networks are becoming more important than organizations Cleveland,1985) . These networks will not stop at national boundaries.

All of these changes occur and will continue to occur at mind numbing speed. The pace of change creates problems at all levels in society and the dislocations are often deeply felt. Perhaps one of the underlying themes in the cultural battles occurring within the United States is that people deeply fear for their future when familiar institutions are crumbling because of economic and social change. The backlash created by these irresistible forces can be both unsettling and threatening.

This raises a final issue, but one of particular importance for social workers--one of social justice. Our conception of social justice is strongly rooted in industrial thinking. What constitutes fairness in the future may be very different than it is today. The movement toward an information society could very well eliminate many familiar threats to social justice, while imposing even more ominous situations that we might find it hard to recognize. Expect that some of the battles will be fought in unfamiliar venues: privacy, copyright and patents, telecommunications policy, intellectual property and access (McNutt, 1996a, 1996b; 1998). This is certainly not a time to let the profession's guard down.

CONCLUSIONS

We are entering a world with many new opportunities and challenges. Social Work, a child of the industrial revolution, now finds itself dealing with new realities. We helped shape the policies that give form to the industrial welfare state. We can provide this same assistance to the welfare system that will emerge as our society enters the information society.

Our task is not to recreate or ever preserve the programs of the past. We have a responsibility to create new opportunities to advance social welfare and well being in the coming age.

We will also change as a profession. Our technology will be different, as will our organizations and the policies that provide a framework for our practice. Social work has, however, always been about creating the future. Sometimes we build a better future for a single client. Later we create a new future for entire societies. The goal is the same if the task is different.

We are faced with all of the exciting possibilities and difficult challenges that were faced by the first members of our profession decades ago. It is our mandate to build social welfare policy for the future.

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