

COMMUNITY, CONTRACT, AND
THE DEATH OF SOCIAL CITIZENSHIP

Hugh Heclo

MONOGRAPH No. 4
FROM THE SERIES
TOWARD A NEW PUBLIC
PHILOSOPHY:
A GLOBAL REEVALUATION OF
DEMOCRACY AT CENTURY'S END



CARNEGIE COUNCIL ON ETHICS AND INTERNATIONAL AFFAIRS

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As part of an ongoing program on public philosophy titled "Toward a New Public Philosophy: A Global Reevaluation of Democracy at Century's End," the Carnegie Council on Ethics and International Affairs has initiated a workshop series to address current conceptions of democracy around the world. Approaching democratic theory and practice through the lens of ethics, the Carnegie Council has begun to map the values intrinsic to public policy making. In part, the project is driven by the disparity in public policy practices across democracies. While many states have formally claimed to be democratic, ethical norms clearly vary across societies, creating a wide spectrum of democracies in the world today.

This monograph is a reworked and updated version of a paper presented at the October 1997 workshop "What Do You Deserve? Public Philosophy, Welfare, and Changing Social Contracts." This particular workshop aimed to assess social welfare policy in the light of trends toward integration in global markets. It concentrated on the influence of globalization on the social contract in a number of democracies, including those in the developing world, states in transition, and the post-industrial welfare state. Above all, it asked the question: What are the differences in the social contract across democratic states? How are these contracts formulated and what are the political, economic, and social factors that cause them to change? Further, who should benefit from social welfare policies?

The workshop took up case studies of public philosophy in the United States, Hungary, Japan, Germany, the United Kingdom, and Chile. Specifically, it examined the philosophies behind welfare policy in each society, given the recent climate of cutbacks. Particular emphasis was given to the question of whether a dominant paradigm for public philosophy could be discerned, and to what extent it might be "Western" in nature. In many cases, there was a theoretical conflict between community solidarity and individual choice as the appropriate models for public philosophy. The workshop also addressed the role of culture in the formulation of public philosophy and the extent to which public philosophy is deliberative and/or reflects elements of participatory democracy. In addition, it evaluated the volatility of public philosophy in transitional democracies.

The social welfare workshop was the second in the Carnegie Council's public philosophy program. The first workshop analyzed and compared the models of public philosophy in Western and Asian states. The goal of the public philosophy program, which will continue to explore these issues, is to develop a more nuanced understanding of the public policies adopted in democracies, based on the study of the norms and values that exist in democratic states around the world.

The following papers from the Carnegie Council series on public philosophy are available as individual monographs:

- No. 1 "Historical Perspectives on Public Philosophy in Modern China," by Peter Zarrow, University of New South Wales
- No. 2 "An American Public Philosophy for the Twenty-First Century: The Theory and Practice of Liberal Community," by William Galston, University of Maryland
- No. 3 "Chile's Innovations in Social Welfare: Principles and Policies," by Verónica Montecinos, Pennsylvania State University
- No. 4 "Community, Contract, and the Death of Social Citizenship," by Hugh Hecló, George Mason University
- No. 5 "From an Old Social Contract to a New: Social Policy in the United Kingdom," by Howard Glennerster, London School of Economics and Political Science
- No. 6 "Is There a 'Public Philosophy' in Central-Eastern Europe? Equity of Distribution 'Then' and 'Now'," by Zsuzsu Ferge, Eotvos Lorand University

The workshop paper "More Than Anyone Bargained For: Beyond the Welfare Contract," by Robert E. Goodin, appeared in *Ethics & International Affairs*, Vol. 12 (1998), pp. 141-158.

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When twenty-first-century historians look back to American society in the 1980s and 1990s, they will note that on one policy front after another, longstanding understandings were being renegotiated. It was a haphazard process, carried on in fits and starts; and as always in matters of history, not everything pointed in the same direction. But there was a theme to this dialectic of action, reaction, and counterreaction. Born of the Depression and tempered in World War II, the idea of social citizenship (a consensus among the public that citizens are entitled to social as well as civil and political rights)¹ was finally dying, as was that generation of Americans who had experienced a sense of national solidarity as something real in their lives. Here is a representative policy checklist for *fin de siècle* signs of the times:

- In 1983, after almost fifty years, the social security program for retirement income introduced its first provisions for means-testing benefits and gradually raised the age for receiving those benefits.
- In 1988 a new national program to insure older Americans against catastrophic health costs was adopted and then abandoned in face of opposition from better-off elderly themselves.
- In 1986 the most dramatic transformation of federal tax policy since World War II was enacted, broadening the income tax base and creating a more uniform tax rate at the expense of sacrificing its progressive, ability-to-pay structure. But the base broadening and rate flattening did not, contrary to many expectations, reinvigorate a new income tax regime. Popular anti-government feelings seemed to paralyze any

efforts at across-the-board tax changes and further reductions in tax loopholes. By 1997 a forest of special tax provisions had been enacted, recomplcating the system.²

- In 1990 the federal taxpayer began to pay cash supplements to the wages of low-paid working Americans. Previously the Earning Income Tax Credit had at most offset the social security taxes on the working poor. But with a dramatic expansion in 1990 and a more massive increase in 1993, the federal government undertook to send a check at the end of the year to close much of the gap between the poverty line and what a family headed by a full-time worker earned in that year.
- During 1992-94 the nation moved toward completing its national structure of social insurance with comprehensive health insurance for all Americans—moved toward it, hesitated in confusion, and turned away. Instead, piecemeal reforms protected workers against loss of health insurance with job changes and greatly expanded federal funding to states offering low-cost health insurance to children of lower-paid full-time workers.
- In 1994 Republican leaders gained control of Congress for the first time in forty years, announcing an end to the “liberal Democratic welfare state.”³ But by the end of this 104th session, the Republican Congress was making haste to pass new social protection legislation (such as the Kennedy-Kassebaum legislation to make workers’ individual health insurance portfolios more secure) and raise the federally imposed minimum wage for workers.
- In 1996 a Democratic president and a

¹ See T. H. Marshall, *Class, Citizenship, and Social Development* (New York: Doubleday, 1965).

² W. Elliot Brownlee, *Federal Taxation in America* (Washington, D.C.: Woodrow Wilson Center Press and Cambridge University Press, 1996).

³ Newt Gingrich, *To Renew America* (New York: Harper Collins, 1995).

Republican Congress agreed to dismantle the national guarantee of a public assistance safety net that had been in place since the New Deal. Instead of a national income support program for the poor, the 50 states were now offered large new areas of discretion to enforce work requirements and impose time limits on benefit payments.

- In 1996, for the first time in the nation's history, the federal government adopted its own definition of what a marriage is rather than accepting state determinations. The aim was to counter any state legal recognition of homosexual "marriages."
- In 1996 the government's official Social Security Advisory Committee submitted the first divided report in its history, with two of three factions proposing some form of individualized personal investment accounts.
- In 1997 leading politicians of both parties for the first time publicly advocated means-testing Medicare and raising the starting age for the program's benefits. The first tax-free individual Medical Savings Accounts were introduced as a tool of federal health policy and combined with a high-deductible insurance policy offered as a "demonstration project" to 390,000 beneficiaries. Although the 1997 budget plan produced the largest changes since Medicare's inception, the consensus grew that the whole Medicare program would have to be significantly restructured, and a national bipartisan commission was created to recommend long-term changes by March 1999.

What, one may ask, was going on here? For one thing, any idea of social solidarity had become enmeshed in what (for Americans) was

an unusually ideological debate over the role of government. The politics of this debate was set in motion with the Conservative movement of the 1950s and the Goldwater presidential candidacy in 1964; it tracked with the political career of Ronald Reagan through the 1980s and reached a culmination of sorts in 1994 with the Republican Contract with America and that party's capture of Congress.

Not coincidentally, the montage of social policy renegotiations was underscored by a crisis of public distrust in government. It has been a growing malady encouraged by leaders who lied to the people (Vietnam, Watergate), as well as by policymakers in general who have promised to solve complex social problems (such as long-term poverty, racial discrimination, structural economic dislocations) for which there could be no simple timetables for government-based solutions. Public distrust has grown apace. By the mid-1990s, polls reported the lowest level of confidence in government institutions since those particular questions began to be asked in 1966. Nationally and locally the two parties have become more equally competitive than at any previous time this century, but it has become a negative competitiveness about who is least unpopular with a disdainful public. While both sides try to reclaim title to the "Progressive" tradition, approval ratings for Republican and Democratic parties now stand at the lowest levels in three decades of such record keeping.⁴ Changing faces in the White House and Congress, first in 1992 and then in 1994, did little to dispel public cynicism. It is an environment in which policy leaders must appeal to a public that is profoundly distrustful of whatever is being said and done by whoever is saying and doing it.

⁴ Frank L. Luntz, "Americans Talk about the American Dream," in Lamar Alexander and Chester E. Finn, Jr., eds., *The New Promise of American Life* (Indianapolis: The Hudson Institute, 1995). Stanley B. Greenberg and Theda Skocpol, eds., *The New Majority: Toward a Popular Progressive Politics* (New Haven: Yale University Press, 1997).

And yet the challenges to renegotiate social contracts have a genuine substantive basis. In the midst of disruptive economic and social transformations, there is an inescapable necessity to rethink government activities. So, while people generally distrust what is being said and done, they are also constantly encountering very practical and real problems for which collective action is inescapable. What happens when you need what you do not want (namely, an active, at times intrusive government) and want what you cannot have (that is, lower taxes with improved government services)? Four overlapping responses have generally occurred in the past two decades.

The first is denial. Mounting structural deficits after the late 1970s reflected the illusion that one could have fewer taxes and at least as much government. The Omnibus Budget Reconciliation Act of 1990, requiring that in order to get more of one thing one had to give up something else, began to constrict this popular indulgence.

The second is salvation by efficiency. Here the hope is that by reorganizing (Carter), eliminating waste, fraud, and abuse (Reagan), reinventing government (Clinton), and the like, you can do more with less. While efficiency gains can help at the margins, good management offers no alternative to the reality of governing by making choices. Real policy impacts are obtained by making important policy choices, which are generally painful because all the easy choices have always already been made.

The third is the blame game, another favored dodge of the past two decades. The problem is those other people's fault. This produces ideological struggle and extraordinary swings in the proposed policy agenda as different partisans attempt to gain political advantage. With elites polarized and citizens discon-

nected, the result is a blocking of any real public deliberation about public philosophy as reflected in policy. Renegotiations have to occur at the interstices of the shouting matches.

The last resort is to change the subject. It is finally to leave aside the essential issue and ask, What can we actually do about this or that specific problem? If policy problems actually do exist, their reality has a way of intruding to make resolution unavoidable. It is this ad hoc, problem-centered approach—the politics of piecemeal, restructuring reforms—that results in the checklist of renegotiated outcomes presented above.

The particular, ad hoc responses in such an inventory are the lived answers that add up to an operational public philosophy of the times. They mark a shift from social welfare claims based on the moral conscience of the community to claims based on contractual reciprocity—the striking of quid pro quo bargains reflecting each side's relative bargaining power.

SOCIAL CITIZENSHIP REVISITED

To appreciate this increasingly contractual view of social order and public policy, a brief look backward is useful. One overall interpretative framework constituted the conventional wisdom for post-World War II liberals. In this schematization there are three stages in the development of citizenship rights and the modern welfare state. First came civil/legal rights as the early capitalist system developed institutions to protect property, equality before the law, and basic civil liberties. In the nineteenth century political rights were gradually added, extending political participation to the middle and, later, working classes. In the 1940s aftermath of worldwide war, social thinker T.

⁵ T. H. Marshall, "Citizenship and Social Class," Alfred Marshall Lectures, Cambridge University, 1949; reprinted in Marshall, *Class, Citizenship, and Social Development*, chapter 4.

H. Marshall perceived that there was under way a consolidation of welfare claims, yielding a form of “social citizenship” comparable to the equal legal and political citizenship of earlier times.⁵ The new social rights of citizenship aimed not merely at attacking poverty at the bottom of society but at restructuring the overall provision of welfare in a more equal and just manner to express the solidarity of a national community.

This bit of history matters because Marshall’s schema expressed a widely, if vaguely, held view of how social welfare policy should be thought about. The outstanding enunciation of this vision (forty years before “globalization” attracted attention) was the Universal Declaration of Human Rights, which was adopted by the then-still-U.S.-dominated General Assembly of the United Nations in 1948. The lofty phrases tolerate few qualifications: “Everyone, as a member of society . . . is entitled to the realization . . . of the economic, social, and cultural rights indispensable for his dignity and free development of his personality” (Article 22). Every member of society is entitled to “just and favorable conditions of work” and to “just and favorable employment” (Article 23). Everyone should have the right “freely to participate in the cultural life of the community and to share in the scientific advances and its benefits” (Article 27).

We should not disparage Marshall’s foundational insight—an awareness of modern democracy’s growing commitment to social inclusiveness. But when it comes to actual social programs and their political foundations, it has become clear in recent decades that the story is not one of solidaristic social rights of citizenship. In practice one does not see Marshall’s linear model of a single evolutionary tree of upward progress toward social citizenship. What we see instead is reticulated evolution, in multiple social contracts that are made and renegotiated.

The looming problem of social security reform offers a rich illustration of the changing balance involving values of solidarity and contractual exchange. To say that reformers are disputing simply about means rather than ends would be misleading. Fundamental issues of purpose are stake in the social security debate because any given policy reform may, over time, change the meaning of financial security in old age as well as redefine who has a reasonable assurance of such security. In other words, change in “mere” means can subtly but decisively alter policy ends as time goes on.

Choosing among pension reform alternatives is not simply a matter of individuals’ dollar and cents calculations, because the results inevitably involve rights and responsibilities people have toward each other. This “values” dimension entails judgments about the intrinsic worth—the goodness—of our social and economic arrangements. All pension plans involve long-term risks that cannot possibly be avoided. How should those risks be shared? What should we want American society to be like? To debate what to do about the social security program is to debate, however covertly, different visions for American society. To make a choice about fundamental social security reforms is to structure into the receding future a given “take” on how to envision American society. And it is to do so with all the power of government coercion behind any particular view. In short, whatever else it may be, our public conversation on social security reform is inherently a deliberation on “oughts” and “ought nots” of obligation—which is to say, a moral conversation about the nature of the good society.

SHARED SECURITY VERSUS INDIVIDUAL FREEDOM

To continue the current social security system means to face a future imbalance between promised benefits and the revenues available to

pay them. Proponents of major reform argue that its looming problems render the current system politically unsustainable. Conventional estimates are that expected revenues of social security will fall short of expected benefit spending by 14 percent over the next seventy-five years. If the present payroll tax rate remains unchanged, benefit payments currently promised would need to be reduced by nearly one-quarter by 2030 to keep the current system solvent. Contrariwise, if promised benefit payments are to remain unchanged, the combined employer/employee payroll tax rates would have to rise from the current rate of 12.4 percent to 14.57 percent to eliminate the future gap between social security payments and revenues.

For almost all Americans approaching retirement today and in the near future, the fact of dependency on other people is inescapable. Their dependency is organized through government programs extracting revenues from working-age people. Less than 10 percent of the American population today has total private assets at retirement that are greater in value than the average combined insurance value of government (i.e., taxpayer-paid) benefits in social security, Medicare, and Medicaid long-term care programs. The social security reform debate is really about which direction to move in from this given condition of dependency.

There are essentially two major alternatives. The first would accept but modify the existing system, with some combination of future benefit reductions and payroll tax increases (along with possibly a more aggressive investment of collective social security funds to earn a higher rate of return). The second major alternative would introduce—to a greater or lesser extent depending on the particular proposal—personal

savings accounts for retirement that would be more directly under an individual's control.

It is important to recognize that all the major proposals being debated today seek to reform, not abolish, government's role in retirement policy. There is no "government-less" magic answer waiting to be discovered. Although the term "privatization" is often used to characterize many prominent reform proposals, no major initiatives advocate relying solely on do-it-yourself provisions within a world of strictly "private sector" arrangements to provide financial security. Thus even the reform option known as "full privatization"—while eliminating the current social security pension program—would use government bureaucracies to compel workers to contribute a given percentage of their earnings to a qualified retirement plan; regulate all the retirement plans available for workers' contributions; and operate means-tested government programs looking to provide some minimum level of income to elderly persons who cannot support themselves.

Despite the inevitability of government, it remains true that the debate about the future of social insurance, and social security and Medicare in particular, is ultimately about the roles of collective and individual responsibility in providing for elderly and disabled Americans. Are Americans to move toward a future in which they achieve security by pooling risks in the same boat, or is security to be achieved more individually by every person for himself and herself? The debate about the future of social insurance is also about how far to allow the financial claims of past commitments to foreclose the possibility for future choices about other needs—how far should a current generation impose obligations for support in retirement on the next generation of workers?

⁶ Gary Burtless and Barry Bosworth, "Privatizing Social Security: The Troubling Tradeoffs," *Brookings Policy Brief*, no. 14 (March 1997).

American discussions of social insurance reform are grounded in what are typically half-articulated theories and assumptions about U.S. politics and desirable public philosophy. For example, the strictly economic advantages claimed for “privatizing” social security can also be achieved by modifying the existing system to provide for higher rates of return on collectively held funds and by requiring more accumulation in those funds to increase national savings.⁶ The different positions of policy advocates for individual or collective savings depend heavily on questions, not of economics, but of political feasibility and values. Indeed, the most sweeping generalizations in debating social security reform are those about competing visions of American society and its values. This “values” dimension refers to principles for judging the intrinsic worth—the goodness—of our social arrangements. What should we want American society to be like?

Although specific reform proposals are embedded in such deeper normative commitments, these readings are generally taken for granted rather than explicitly spelled out and argued before the public. Even in the best of circumstances “value” issues are difficult to articulate. They are especially easy to dismiss today, when political rhetoric is suspect and a focus on the economic bottom line is the mark of practical thinking. Nevertheless, it is also a very “practical” thing to recognize that value commitments are invariably contained within the text of public policies. While public policy never has *the* agreed-upon answer when it comes to social values and the kind of society we want, neither is public policy ever entirely neutral. Like people claiming to have no public philosophy, social policy always exhibits *some* answer to value questions. This is especially true in any discussion of social security reform, where huge, long-term patterns of social organization are at issue.

The two principles of individual freedom

on the one hand and shared security on the other are the dominant normative perspectives undergirding the social security reform debate. The first perspective places highest priority on individual freedom of choice and control over one’s personal affairs. The second gives priority to securing a common social protection against the vicissitudes of life. Freedom claims of the first perspective point to a retirement policy in which individuals make unimpeded choices in a marketplace of consumption and investment options. The focus is on getting one’s money’s worth regardless of the choices others might make for themselves—as the saying goes, each tub resting on its own bottom. The security claims of the second perspective look toward collective means for people to enhance each other’s security. The focus is on people struggling for security in the same boat. The first normative position celebrates a free society of aggregated individuals looking out for themselves; the second celebrates a society of one people organizing mutual social protection for each other. The first beckons people toward self-sufficiency, the second toward group cohesiveness.

Since norms of both personal freedom and shared security are highly valued in American culture, advocates on each side often try to steal each other’s clothes. Pro-liberty advocates may point out that security is enhanced by ownership and management of one’s own assets, thereby avoiding dependence on political third parties. Pro-security advocates can respond that freedom is enhanced by avoiding a go-it-alone approach in favor of collective arrangements that break people’s dependence on economic uncertainties and charity. Despite such mutual acknowledgments of attractiveness, freedom and security remain in tension with each other. They are core values embedded in the deep structure of public opinion, as ordinary people think about their lives and the kind of society government policy should promote.

No reform proposals being seriously debated today lie at either of these two polar extremes. All are hybrid, middle-range positions trying to combine desires for individual freedom and collective social protection. This is as it should be in a democracy where people cherish two opposing but unrelinquishable values. The purpose in contrasting the two core values is to realize that, though hybrids, the various reform options do point in one or the other of these two directions. A fundamental normative choice is at issue in deciding whether to move from compulsory collective provision to a system attaching greater value to compulsory individual saving for one's own account. This difference deserves to be taken seriously and not dismissed as mere "philosophy."

If Americans decide to maintain some modestly revised version of the existing social security system, they are in effect asserting a normative emphasis on social protection through mutual provision, a norm of social solidarity. There is, after all, good reason why the current social security program is termed "social" insurance. Risks of financial insecurity in old age are pooled in one national program where people stand together by paying in earmarked taxes and receiving back standardized benefits. The outcome is risked not individually but collectively. Maintaining some version of the status quo would mean that at the center of retirement policy there would be a commonly shared pension program that sought to provide a basic retirement income for all Americans. The current social security system is aptly pictured as a safety net protecting all with the same basic security package. This common security takes the form of a given array of retirement benefits, earned through a work history (not a direct return on one's own contributions) and paid however long one lives (with upward adjustments for inflation). Within that

common coverage, each person can pursue added coverage, such as tax-favored retirement savings (IRAs, 401k plans) and voluntary employment-based plans that each worker owns individually (again, in a regime of supportive government policy regulations).

The essence of the social security program itself is the priority of a common social bond, with a common security package for all citizens. Calculations of money's worth are not regarded as decisive because they ignore the existing system's social solidarity mission—to be a "social" program, not a purely cash-and-carry economic transaction. Thus the existing social security program has sought to promote what proponents regard as a fairer society than would otherwise exist. This motive has for half a century been expressed in two features of the existing system. First, financial resources for consumption are transferred from better-off persons to lower-paid workers of the same generation; this occurs in the formula by which benefit entitlements are related to prior earnings contribution records. Second, generations made wealthier by economic growth have transferred resources to their less wealthy parents' generation when they have gotten old.⁷ Behind all the details is the moral contention that the better-off should help the worst-off—in this case, helping with financial security in old age among people socially bonded as equal citizens, not givers and recipients of charity.

If one decided to reform social security with some version of personal savings accounts, the main emphasis in retirement policy would be reversed. Privatization would put individually owned and managed accounts at the center of retirement policy, accompanied by more residual social protections. Privatization alternatives would not abandon the aged who do not save enough or invest wisely to the sole support of family and friends;

⁷ Robert J. Myers, *Social Security* (Homewood, Ill.: Irwin, 1985).

minimum government pensions and a means-tested welfare program would remain. But the emphasis would be on individualized security and freedom of choice rather than shared security of a predefined benefit (related in part to past earnings but covering all Americans under roughly the same terms). Whatever the variant, individual asset accounts would represent a fundamental change in the framework of social security policy. The emphasis would shift from the “one net” security of the current social insurance approach to a more individualized system of many different security packages, with each person much more the weaver of his or her own safety-net. Below that would lie the public provision of means-tested transfers, which opponents of this approach regard as stigmatizing charity and proponents regard as a more efficient use of resources. Be that as it may, the essence of the individualized accounts approach is the priority of individuals freely obtaining their own returns for retirement income. The prospects for great variability in those results is judged acceptable for the sake of the larger cause of promoting individually responsible free choices.

To repeat, behind all the details, social security reform asks Americans to consider this choice of a more individualistic or solidaristic vision of their society. Experts have no special authority for telling other people what that choice should be. But there are signs of what larger choices the American public is willing to tolerate and toward which choices the momentum of particular decisions is taking us.

On the one hand, the 1997 budget agreement offered the first tentative indication that the claims of the past on the future are beginning to be renegotiated. For all its complex leg-erdemain with budget numbers, the Balanced

Budget Act signed into law on August 5, 1997, promised long-term savings mainly out of social insurance entitlement programs benefiting mostly the elderly and allocated these savings to what were seen as needs for the future. Changes in the Medicare program (for example, higher Part B premiums after the year 2000) were slated to produce \$117 billion over five years. In the budget deal this in turn provided over 70 percent of the savings then used to pay for new initiatives for education, children, and deficit reduction.⁸

On the other hand, the budget agreement—with its tax-advantaged personal savings account programs for education, retirement, and health savings—also indicates the growing popularity of a more individualized approach. So too does the growing interest in school vouchers and many of the policy shifts inventoried at the beginning of this essay. Is this more individualized framework what Americans will want in renegotiating social insurance?

Evidence from public opinion polls and focus groups is ambiguous at present, but the coming generation appears to have more individualistic preferences. Opinion research indicates that most Americans consider social security taxes to be a “fair” form of taxation. Most Americans (60%) continue to support the idea that a part of every worker’s income goes to support the social security program (19% are neutral and 17% oppose), and given the choice 63 percent say they would prefer to implement some tax increases now than to lessen tax increases on future workers.⁹ Focus groups have found that workers are surprised to discover that their social security tax rate is no higher than it is and that the tax increase needed to cover the future financing gap in

⁸ *Social Insurance Update*, Vol. 8, no. 2 (September 1997), p. 3.

⁹ “Public Attitudes on Social Security, 1995,” *EBRI Report #G-62*, March 1995, questions 8 and 13.

social security is so small. However, at the same time there are strong age group differences in opinion. Forty-four percent of 18- to 19-year-old Americans—compared to 18 percent of 51- to 64-year-olds—think government retirement programs should be replaced by private savings plans, even if this means that some people are left without benefits through poor investment choices. Likewise, only 29 percent of this younger age group but 41 percent of 51- to 64-year-olds think the government should do whatever it can to maintain social security and Medicare, even if it means paying higher taxes.¹⁰

Despite these patterns of opinion, one cannot regard any presumed public resistance to future tax increases and benefit reductions as a decisive argument against maintaining the current system. This is because any transition to a “privatized” system will also require some version of tax increases, benefit restraints, or combinations of the two. The reason for this is politically compelling, both on grounds of moral obligation and the voting power of the elderly. If promises to current retirees and older workers are to be kept, their pension bills must be paid at the same time as workers contribute to any new type of compulsory private savings account.

The issue thus becomes refined to one of asking if there is reason to believe that Americans will be much more likely to support tax increases/benefit restraints in pursuit of privatized accounts than for purposes of maintaining the established social security system. Is the current collectivist system likely to lose public support because of the poor rate of return individual workers earn on their contributions?

According to this view, social security is an increasingly bad bargain for its contributors. In terms of future pension benefits that are earned, the rate of return on workers’ payroll contributions is much less than individuals could reasonably expect to achieve by saving and investing for retirement on their own account. Support for the current system will continue to erode as people realize they are not getting their “money’s worth” from government and believe they could do better in managing their own compulsory savings for retirement. (The rate of return is also far less for current workers than it was for those born before 1940. But since these older Americans are generally seen as deserving of their social security pensions, and are well organized to defend them, the risk of a political backlash because of any sense of this retrospective unfairness appears small.)

A strong variant of this individualistic ethic predicts future “generational warfare” when today’s younger Americans experience an especially low rate of return on their contributions in order to support the large cohort of aging baby boomers early in the twenty-first century. This warfare imagery is an overly dramatic way of describing a more subtle and general drift of affairs. Boomers defending their economic interests in social security will come into a certain degree of conflict with younger generations resenting the high payroll taxes necessary to pay those bills. As this conflict is predicted to unfold, there may well be powerful incentives to reduce benefits for the wealthy. The worsening financial balance sheet will then encourage further taxation or means-testing of social security benefits, destroying not only the program’s political constituency among high to

¹⁰ The public perception of impending bankruptcy appears to mean zero funds left to pay benefits in the near future; focus group participants gain a more realistic understanding when told that the problem is that ongoing payroll taxes will be able to pay for only roughly 75 percent of benefits at a point some 30 years from now. Data is from the National Issues Forums, “NIF Report on the Issues, 1997: The National Piggybank, Does Our Retirement System Need Fixing?” John Doble Research Associates, Englewood Cliffs, N.J., 1997.

moderate income groups but also its encompassing social ethos of authentic social insurance—the solidaristic idea of shared risk.

The prospects for any particular policy reform depend ultimately on our changing cultural patterns and valuations. It is these deeper structures that are likely to make or break different policies in terms of their longer run sustainability, especially for the coming generation. Hence at some point one must leave behind the policy details and look into a much murkier cultural realm.

LOOKING AHEAD

The claims of social solidarity seem to be shrinking in the down-to-earth manifestations of our public philosophy. In strictly material terms, the better-off in American society are doing quite well. They can easily convince themselves of the advantages of going their own way without much attention to matters of collective solidarity. Down this road lies the individuation of social policy—personal accounts, vouchers, privatization, gated communities. In an odd sort of way, in terms of rejecting any strong claims of solidarity, these persons are de facto allies of those at the very bottom who have given up on the American Dream or any other faith and pose a physical threat to the rest of society (and in response to whom a growing number of Americans probably would live in a gated community if they could). For both, any real faith lies not in the bonds of our national society but in the identity politics of

person (if libertarian) or group (if a certain kind of multiculturalist).

Against this alliance of the forsaken and the forsaking are the opposing voices of modern communitarians and self-styled “new progressives.”¹¹ These are largely intellectuals and academics with few substantial ties to the mass voting power and moral energy of the “religious right” (much less the religious tradition of earlier progressives). On the contrary, America’s large body of energized evangelicals, whose leaders recall the religious liberalism at the beginning of this century, consider any new social gospel as anathema. Their priority is the “cultural gospel” of a return to traditional Christian values and individual piety.

It is here that one encounters the great vacuum of spiritual capital at the heart of any would-be solidaristic approach to social welfare. As American culture faces far-reaching social policy choices, it does so with diminished conviction that there are fixed moral foundations for guiding those choices. While their evaluations and explanations differ, cultural and intellectual historians are generally agreed that sometime over the last hundred years, a fundamental change has occurred in how American culture views and justifies its rules of conduct.¹² At issue is the source of authority used for answering questions about how one should live.

Almost universally upheld by “respectable opinion,” the older worldview was basically an expression of Christian theism. Clearly not everyone in eighteenth- and nineteenth-century America believed in, much less practiced, the

¹¹ Robert N. Bellah et al., *The Good Society* (New York: Knopf, 1991); Greenberg and Skocpol, eds., *The New Majority*.

¹² Charles Taylor, *Sources of the Self* (Cambridge: Harvard University Press, 1989); James Turner, *Without God, Without Creed: The Origins of Unbelief in America* (Baltimore: Johns Hopkins University Press, 1985); Andrew Delbanco, *The Death of Satan* (New York: Farrar, Straus and Giroux, 1995); Gertrude Himmelfarb, *The De-Moralization of Society* (New York: Knopf, 1995); Robert N. Bellah et al., *Habits of the Heart* (Berkeley: University of California Press, 1985); T. J. Jackson Lears, *No Place of Grace: Antimodernism and the Transformation of American Culture, 1880-1920* (Chicago: University of Chicago Press, 1983).

¹³ This worldview is richly conveyed in the politics, policies, and personalities analyzed in Daniel Walker Howe, *Making the*

Christian virtues. But no less clearly, there was a dominant cultural perspective. It framed the interpretation of human affairs in terms of the superintending authority of the God of the Bible, with heaven, evil, hell, and the like as objectively real things and not matters of opinion or psychological wish fulfillment. This cultural consensus was broadly Protestant but included the parallel culture of American Catholicism as well as nonreligious believers in natural law and man's innate moral sense. The point was not simply that "values matter" but that values are fixed by the authority of a timeless external reality; their validity was not considered contingent on what human beings feel, prefer, or choose to believe.¹³

If the older view taught that lived answers to the big questions were a choice between good and evil, the modern view rests on what has been called "radical choice."¹⁴ Man has the prior choice whether or not to choose in terms of good and evil. In other words, a modern person is free to choose his first principles, just as different societies in history make different choices about what is right for them. Thus, whether to treat any reason as having force (for example, God commands thus, our tradition teaches this) is always the prior choice for which no reason exists. The criterion of legitimate authority is self-selected authority, which essentially means it is oneself. What the old culture would call arbi-

trary and licentious, the new would call "personal" and liberated. Violations of right behavior had been called sins against God; in the new cultural perspective they are anti-social behavior. Essentially the same mind set has been expressed by the twentieth century's growing insistence on an inherent split between faith (private, subjective, unprovable) and knowledge (public, demonstrable, objective reality of the natural world), between religion and science, supernaturalism and naturalism. As a number of historians have observed, the difficulty of conveying the older cultural worldview to modern readers is itself a mark of how much has changed.

Overturing of the older cultural premises occurred in many ways on many fronts, and it covered large parts of the wider culture, including most of the higher education system and popular culture in which increasing numbers of young Americans were spending ever more of their time.¹⁵ Writings about American social norms have tried to describe the resulting change in various ways since the 1950s: for example, as a growing commitment to "secularism" and "therapeutic self-realization," as the decline of a Puritan-republican-producer moral order in favor of a "culture of abundance," as a change from "inner-directed" to "other-directed" character formation, as a "domestication of the sacred" that replaces external

American Self (Cambridge: Harvard University Press, 1997); Robert H. Abzug, *Cosmos Crumbling: American Reform and the Religious Imagination* (New York: Oxford University Press, 1994); Eldon J. Eisenach, *The Lost Promise of Progressivism* (Topeka: University Press of Kansas, 1994).

¹⁴ Alasdair MacIntyre, *After Virtue*, 2nd ed. (Notre Dame, Ind.: University of Notre Dame Press, 1984), pp. 40-43.

¹⁵ George M. Marsden, *The Soul of the American University: From Protestant Establishment to Established Nonbelief* (New York: Oxford University Press, 1994); Douglas Sloan, *Faith and Knowledge: Mainline Protestantism and American Higher Education* (Louisville: Westminster John Knox Press, 1994).

¹⁶ Bellah et al., *The Good Society*; Warren I. Susman, *Culture as History: The Transformation of American Society in the 20th Century* (New York: Pantheon, 1984); David Riesman, *The Lonely Crowd* (New Haven: Yale University Press, 1961); Robert Wuthnow, *Sharing the Journey* (New York: Free Press, 1994).

¹⁷ Daniel Yankelovich, *New Rules: Searching for Self-Fulfillment in a World Turned Upside Down* (New York: Random House, 1981); James Patterson and Peter Kim, *The Day America Told the Truth* (New York: Prentice Hall, 1991); Paul Leinberger and Bruce Tucker, *The New Individualists* (New York: Harper Collins, 1991).

divine authority with the personal spirituality of “God as our buddy.”¹⁶ The general conclusion is that while belief in God and the importance of religiosity command almost universal verbal assent in opinion polls, deeper questioning shows this is not often the kind of cultural reality that would have been recognizable a hundred years ago. Most Americans not only believe in God but also believe that standards of how to live are matters of individual judgment not to be governed by restrictive norms of external authority or absolute truth. These judgements of right and wrong are widely seen as a matter of personal opinion based on one’s own experience in a search for self-fulfillment and authenticity.¹⁷

Nor is this theme a simple divide separating secular Americans from religious Americans. It infuses the culture’s religious scene itself. As one careful opinion researcher has described the trend, the readily definable religious and theological landscape of the past has dissolved in an America “transitioning from a Christian nation to a syncretistic, spiritually diverse society” possessing “a new perception of religion: a personalized, customized form of faith-views that meet personal needs, minimize rules and absolutes, and bear little resemblance to the ‘pure’ form of any of the world’s major religions.”¹⁸

All of this is relevant because Americans expect government policy and public life to express “values” but now must act in a cultural context where moral foundations are kaleido-

scopes of self-legitimizing personal views. Figuratively, there is not one hometown movie house where a single cultural story of valuation is playing but rather a cineplex theater through whose showings people move freely to construct their own stories of authentic value. Thus evidence of how people approach their everyday lives in the labor market suggests that people combine moral worldviews in complex ways, with theistic moralism endorsed as the smallest majority taste and a first priority for very few.¹⁹ Similarly, research has shown that even those engaged in compassionate activities in civil society express uncertainty about their motives and hesitate to provide reasons why they have put themselves out to help other people.²⁰

If ordinary citizens—especially in the younger age cohorts—should look to intellectuals for orientation, the picture becomes more, not less murky. One hundred years ago the nation’s intellectual elites were all but monolithically of the Christian theist school. By mid-twentieth century, the so-called thinking class was no less overwhelmingly on the secularist, classic humanist side (i.e., man is the measure of all things, but the standards of civilized life are not relativistic). By contrast, in today’s intellectual circles the foundations of thought exhibit a thoroughgoing fragmentation. Humanists, modernists, postmodernists, traditional religionists, and neo-evangelicals are now counterattacking each other with immense vigor but offering little coherent guidance to

¹⁸ George Barna, *The Index of Leading Spiritual Indicators* (Dallas: Word Publishing, 1996), pp.129-30. Almost a half-century earlier the authors of the Princeton Studies of Religion in American Life perceived the same developing condition in which the intellectually sophisticated “seem to have given up on God altogether, while the naive masses simply ‘infinite’ their personal and social values and call the nebulous aggregate ‘God.’ ” James Ward Smith and A. Leland Jamison, eds., *The Shaping of American Religion*, Vol. I, Religion in American Life (Princeton: Princeton University Press, 1961), p. 5.

¹⁹ Robert Wuthnow, *God and Mammon in America* (New York: The Free Press, 1994), p.101.

²⁰ Robert Wuthnow, *Acts of Compassion* (Princeton: Princeton University Press, 1991).

²¹ For some recent overviews, see Barbara Herrnstein Smith, *Belief and Resistance: Dynamics of Contemporary Intellectual Controversy* (Cambridge: Harvard University Press, 1997); Rochelle Gurstein, *The Repeal of Reticence: A History of America’s Cultural and Legal Struggles over Free Speech, Obscenity, Sexual Liberation, and Modern Art* (New York: Hill and Wang, 1996).

the general public.²¹ The ostensible guides to cultural meaning are themselves awash in a sea of baffling, and often mean-spirited, contentions.

Since people tend to live the way they perceive themselves, the loss of traditional theistic perspectives has very practical consequences for a society. A culture convinced that there really is no personal superintending power sitting in judgment over human affairs will be disposed to behave differently from one that does. The stakes for “personal fulfillment” in the here and now become extremely high and urgent. To put it another way, if this world rather than a transcendent reality is the only place to look for satisfaction, then departures from total justice, security, and well-being are not mere setbacks and sufferings to be borne in a fallen world. Any such disappointments in one’s “life project” are a crisis of failed purpose in the only realm that truly matters.

At first there seemed to be an escape route with the movements of the 1960s and their associated egalitarian and liberation mentalities. Equality as the predominant value of an increasingly inclusive society does provide a version of morality, since all persons and their life choices can claim a right to equal respect, so long as others’ equal rights are not hurt. But the moralism of equal freedom to choose—things are right because we have chosen them for ourselves—has hardly clarified the social situation. On the contrary, it intensifies the surrounding uncertainty by simultaneously raising standards (against behavior that fails to demonstrate equal respect and treatment) and lowering standards (treating what was formerly unacceptable simply as equally valuable alternative forms of self-expression).²²

Thus the basic long-run trend would appear

to be moving away from integration, solidarity, and collective authority to self-authority and choice as the ultimate standard. Increasingly, individuation holds the privileged position in renegotiating social contracts and erecting a public philosophy of social policy. Missing is the idea that the individual has some responsibilities and duties without corresponding rights. Missing too is the sensibility that having a right to do something does not make it rightful to do it.

To the extent that morality becomes essentially a struggle for equal self-realization, society is experienced as the turmoil of clashing autonomies. Thus the much-noted incivility and distrust in contemporary life may be only a symptom of the larger underlying condition. Moral foundations based on celebration of the self (which may or may not include one’s group identity) promise a condition “where everyone is perpetually concerned about his own dignity and advancement, where everyone has a grievance, and where everyone lives the deadly serious passion of envy, self-importance and resentment”—a situation that at the end of the 1950s was one writer’s fictional portrayal of Hell.²³

However one judges the specific policy shifts, ours is clearly a time of great uncertainty amid intense, confusing social policy challenges. To say that there are more options but fewer firm sources of guidance for choosing is in fact to give an operational definition of cultural confusion. Not surprisingly, America’s final generation of the twentieth century seems to have found its motto in the late rock star Kurt Cobain’s phrase of definitive, disengaged uncertainty: “Well, whatever, never mind.”

²² Charles Krauthammer, “Defining Deviancy Up,” *New Republic*, Nov. 22, 1993, pp. 20–25.

²³ C. S. Lewis, *The Screwtape Letters and Screwtape Proposes a Toast* (London: Geoffrey Bles, 1961).

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