

# Viewpoint

**Ralph K. Winter, Jr.**

## The Welfare State and the Decline of Electoral Politics

**C**ONCERN OVER burgeoning government increases even among staunch supporters of the welfare state. Calls for reducing the size of government and for deregulating many industries are heard on the Left as well as on the Right. There seems, moreover, to be a widening consensus that many social welfare expenditures cannot be justified as measures that help the less well off. Nevertheless, the growth of government proceeds unchecked.

There is also a concern that voters are increasingly indifferent to electoral politics, perceiving them to be increasingly irrelevant. In 1976, although the presidential contest became a virtual toss-up in its last weeks, the percentage of the voting-age population that actually voted was smaller than in the no-contest campaign of 1972. Congressional candidates of all persuasions also seemed unable to turn on the voters, who appeared interested in the campaign more as spectators than as participants.

These perceptions—that government continues to grow while an anti-government philosophy prevails among voters and that voters increasingly regard electoral politics as irrelevant—are related phenomena, for, as I suggest below, once the welfare state reaches a certain size, a partial paralysis of the political process is likely to occur. The result of this paralysis will be that the size of government cannot be easily controlled by normal democratic processes and confidence in electoral politics will decline.

The prevailing political rhetoric indicates that philosophically most voters want less gov-

ernment, less taxes, less inflation, along with the maintenance of a decent level of support for the genuinely poor. These do not appear to be impossible or inconsistent tasks. To the contrary, the increase in social welfare expenditures by federal, state, and local governments between 1960 and 1971 alone, if given directly to the poorest 25 million people, would provide a family of four with an annual income of about \$19,000. Since that far surpasses the median income—not to mention the poverty line—we can in fact eliminate poverty, reduce taxes and inflation, and limit the size of government by the simple act of giving only some of the money already devoted to social welfare directly to the poor and leaving the rest with the taxpayer. Further reductions in the size of government and in the price of consumer goods would be achieved by eliminating a number of regulatory programs that economists almost universally agree are a source of economic inefficiency and harm to consumers.

Although these options may seem irresistible, few enterprising candidates would dream of running on such a program in most states or congressional districts. The vast bulk of welfare state programs do not aid just the poor but spread their benefits widely and without regard to need—because, as Irving Kristol has written, “Congressional compassion is always tempered by political realism, and the congressional impulse is always to spread its compassion over the largest possible share of the electorate.”

No one seriously believes existing farm programs are designed to aid only the poorest 10 percent, or even 20 percent, of our farmers. Veterans’ programs involve enormous funds but no one claims they are designed only to

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help poor veterans. Aid to education has its most direct impact on middle-class teachers, while the school lunch program is fighting poverty at the fanciest private schools. Even expenditures for the truly poor fall to a disturbing degree into the hands of middle-class professionals and administrators.

The idea of the welfare state as a means for protecting individuals or families against catastrophic illness or genuine deprivation—and, in the words of Jeane Kirkpatrick, as a means for “providing a minimum of income and security for all” (*Regulation*, November/December)—has in practice been abandoned. In its stead is the notion that no material desire is necessarily outside government’s responsibility.

So too we have come to act as though no economic hardship—no matter how minor or how related to changes in consumer tastes—needs to be tolerated, even at the price of a government-supported monopoly. We have thus witnessed the steady growth of a regulatory apparatus designed to protect particular groups from market competition. Almost all interstate commercial transportation is a federally protected cartel. Other industries benefit from import quotas or analogous restrictions on foreign competition. Many businesses receive direct or indirect subsidies from government, and work on government contracts is usually done at inflated wage scales. Although none of these programs directly helps the genuinely poor, and all penalize consumers or taxpayers, they are generally accepted as a routine exercise of government’s legitimate responsibility.

IT IS EASY enough to understand how spreading political compassion over as many voters as possible got us into our present regrettable posture. It is harder to understand why, with many signs indicating that voters want a change, we do not extricate ourselves.

One problem is that we are conditioned to view the welfare state as an instrument of compassion and generosity rather than as the benefactor of special interests. Even relatively conservative candidates, for example, when confronted with an opponent who declares, “America can do more in the fields of housing, education and aid to our cities,” tend to react defensively and object only on grounds of cost. Rarely do they challenge the sincerity of that

candidate’s compassion for the poor. Yet the specific voters appealed to are for the most part not the poor—who are a relatively small fraction of the total population and a much smaller fraction of those who actually vote—but the construction industry and those who serve it (insurance brokers, for example), teachers at all levels of education, students (who are generally not poor), municipal employees, and the middle-class recipients of municipal services.

A second problem is that some groups (government employees, for example) receive such a high proportion of their total income from government that an across-the-board reduction in its size or function would cause them a net loss. Most citizens, of course, would experience a net gain, any loss in benefits being offset by a reduction in taxes and monopolistic prices. Unfortunately no significant portion of the taxes an individual pays is allocable to one particular program, just as no significant portion of a product’s price is visibly caused by the Interstate Commerce Commission. As a result, few individuals perceive that the particular programs which benefit them are a significant cause of high tax rates, inflation, or government size, or, conversely, that elimination of those programs would significantly reduce their taxes.

What voters *may* instinctively understand is that the elimination of programs which specifically benefit them will reduce taxes and government *only* when combined with the elimination of a number of others which do not. But the political system does not offer such voters a way to ensure in advance that enough other programs will in fact be terminated so as to leave them with a net gain. Enactment of such a reform depends upon the acts of several hundred legislators and a President—as well as upon public opinion on other issues that are competing for attention—so that no candidate for any office can guarantee the outcome. Voters thus understandably fear that acts of self-abnegation will not be reciprocated and that they will lose their benefits while continuing to suffer under the burden of heavy taxes. When it comes to reducing government, therefore, the voters’ quite reasonable response is, “After you.”

Electoral campaigns and legislative behavior are profoundly affected by this phenome-

non. Many candidates adopt the general rhetoric of diminished government (but only for programs that do not benefit strategically located constituents), promise greater specific benefits than ever to these constituents, and deliver on this promise by acquiescing in legislative log-rolling—which continues to increase government expenditures. Both Mr. Carter and Mr. Ford vied with each other to be “anti-Washington” but both made it clear to key groups in the electorate that they could count on federal help.

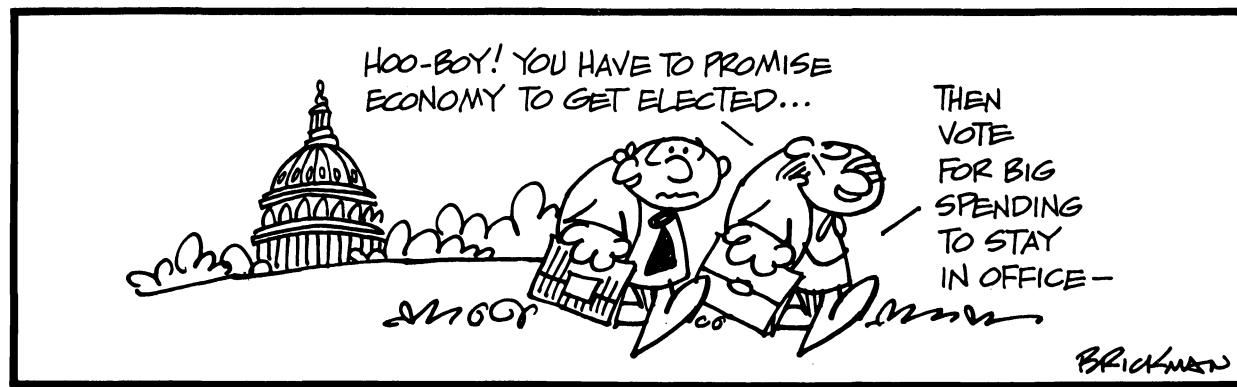
The lesson taught our citizenry by welfare state politics is not compassion but selfishness, the view that if one group, no matter what its ideological orientation, does not grab its “share” from government, another will. This competition may lead to an array of claims for government support that is impossible to satisfy fiscally, yet impossible to deny politically. In such circumstances, political campaigns become surrealistic rituals. Thus, the recent Democratic mayoral primary in New York City found the candidates obsessed (and gratefully so) with the death penalty issue, over which the mayor has neither power nor responsibility.

Voter behavior is also affected. Policy issues have declined in importance as the skill of a congressman in facilitating the delivery of government benefits has increased. This phenomenon, along with others, has resulted in an extremely high rate of electoral success for incumbents. On policy issues, therefore, American voters are in the midst of an identity crisis. Philosophically they apparently want less government, but they cannot find a realistic way of bringing that result about. Why should they not feel that elections are increasingly irrelevant?

There is a tipping point at which the breadth of welfare state benefits is sufficient to impair the capacity of government to reverse the trend toward more taxes, rising inflation, and greater size, even though a large majority of the citizenry may actually desire such a reversal. At this point, governmental paralysis may result.

Persistent inflation is evidence of a paralysis over the choice between the conflicting pressures to lower taxes and to raise expenditures. Inflation is chronic in the omnipresent welfare state, partly because printing money is politically less visible than a direct reduction in government expenditures or a direct increase in taxes. Inflation of course is a compromise, since it reduces the value of expenditures and increases the taxes paid, particularly if taxpayers are moved into higher tax brackets. But chronic inflation is a painful compromise and it is not surprising that it may cause a loss of confidence in the political process.

Another feature of our welfare state contributes to the feeling that electoral politics are irrelevant. A welfare state that extends its bounty beyond the genuinely poor and dispenses services as well as money requires a large and complex bureaucracy to administer it. This bureaucracy in turn reduces the relative power of the elected branches of government. Many of our social and economic programs entail a delegation of power to non-elected officials who are able thereafter to make law on their own. This essentially legislative power in many ways exceeds that of the Congress, although rarely are the actions of the bureaucracy subject to the kind of prolonged and searching debate that precedes—or should precede—major legislative acts.



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Although the welfare state bureaucracy is not democratically responsive, each component of that bureaucracy tends to view itself as a representative of a particular interest group. Thus, the Department of Agriculture acts as a representative of farmers, those who administer the Davis-Bacon Act regard their constituents to be the construction unions, and the Equal Employment Opportunity Commission views minority groups as its principal constituency. All concerned, whether they benefit or suffer from acts of the bureaucracy, tend to regard it—rather than the Congress and the electoral process—as the focus of the political struggle over a number of critical issues. This must account in part for the paradox that the more the government is involved in our lives, the less relevant elections seem, a mood which is clearly anti-democratic.

For example, the quota issue is a fundamental question, going to the very heart of the kind of society we want to be. We have, however, without legislative act or significant public debate, begun to impose racial and sexual quotas on employers and educational institutions through the acts of the welfare state bureaucracy. Those who favor such measures view it as standard operating procedure to seek them through administrative decision. Those who oppose such measures believe their remedy is in the courts, which are also outside the electoral process. The elected branches are regarded by all as so irrelevant that the issue of quotas was hardly mentioned in the recent campaign. Indeed, the first considered formal statement by President Carter on the matter appears to be the Department of Justice's amicus brief in the *Bakke* case. That few regard this situation even as odd underlines how accustomed we are growing to anti-democratic government.

MY ARGUMENT, of course, is subject to an important qualification. At bottom it rests on the proposition that voters, acting rationally in their economic self-interest, will cause government size and expenditures to grow. But voters may react to a variety of interests, some of which may countervail the economic. War, for example, popular or unpopular, may transcend all other issues, just as appeals to nationalism can generate major economic sacrifices. So too voters may become sickened at the sight of

their government's abusing its taxing power to serve as a grab bag for those who are politically able to carry away the most. A consensus might develop that called upon government to protect only against genuine deprivation and catastrophic loss and rejected the idea that the present size of government is necessary in the name of compassion.

If so, the immediate step must be to limit all new programs—and, where possible, to divert the old—to alleviating genuine deprivation. In fulfilling that responsibility, we should, where possible, make cash grants to individuals rather than undertake to deliver services. Not only would that be cheaper but it would avoid much of the threat to democratic rule arising from the delegation of legislative power to a bureaucracy. Government grants, moreover, should not be conditioned on the recipient's adhering to any regulation not specifically authorized by legislation. Progressive income-tax brackets should be indexed according to cost-of-living changes so that government's profit from inflation is reduced.

Finally, there is a method, unique to a nation with a written constitution, by which the "after you" response to calls for reducing the size of government can be muted. Constitutional amendments can provide assurances that a reduction in one voter's benefits will be reciprocated by others, so that all benefit. Unlike the election of representatives, the amending process permits binding commitments by all to particular policies, an "all together, now" instead of "after you" approach. There is not the space here to discuss the details or appraise the kinds of amendments that might be appropriate. Among the species, however, is the proposal to set a limit on government expenditures as a percentage of gross national product. These matters are complex but worthy of far more attention than they have received in light of the impact of welfare state politics on the responsiveness of democratic political processes.

SUCH MEASURES seem drastic. In truth, they would merely stabilize the present situation and end the spiral of taxes, inflation, and government expenditures. Those who dismiss them out of hand have an obligation to offer something other than more of the same and a further obligation to tell us how else we can reverse the present drift away from democracy. ■