

Social Policy and the Poor

A Nation of Clients?

BY JOHN L. McKNIGHT

NOTICE: THIS MATERIAL MAY BE PROTECTED BY COPYRIGHT LAW (TITLE 17 U.S. CODE)

We are now living in a new age—the service economy.

As a working people, we are no longer wheat stackers, steel makers, and hog butchers. We are doctors, teachers, clerks, social workers, insurance agents, and bureaucrats. As a million people each year move from goods to service production, the service industry requires more raw material—more need. More clients.

Futurists are intriguing. They represent one of the newer professions, although in ancient times they might have been called prophets. One of the major functions of futurists is to give us a name for the years ahead—labels like the “postindustrial society,” the “cybernetic society,” the “society of limits,” or the “information society.”

Those of us who are not prophets or futurists can only use the tools of mortals to try to understand our prospects. Our best tool is the past because the past is still the prelude. What each of us knows and has experienced might best predict our future in spite of the futurist's efforts to tell us what we don't know.

What do we know about our history? As a people, Americans love work. We are the people whose work created a new vision of human possibility. We can't stand something that doesn't work.

We measure our very well-being as a society by the product of our work: the gross national product. The gross national product is America's bottom line. If it goes up, America is getting better. If it goes down, America is getting worse. It is the sum of two numbers, the goods and the services we produce each year.

The gross national product is an unusual number. Consider a day care center and a child care worker interacting with a young child; consider also an automobile factory

and a worker putting a windshield wiper on a new automobile. The gross national product adds those two tasks together as though they were the same thing because both are paid work. The same work can also be counted in terms of the number of people who do the work, the number of people who receive money for producing goods, and the number who are paid for producing services.

Looking back at our history, the work of Americans has changed radically in terms of the number of jobs producing goods and the number producing services. In 1880, about 80 percent of the paid workers produced goods; 20 percent were involved in producing services.¹ In 1980, 31 percent of the paid workers produced goods and 69 percent produced services.²

If some of the labor economists' projections are correct, by the year 2000—only twenty years away—90 percent of the paid workers in this country will produce services and 10 percent produce goods. Thus, our past predicts. In the one hundred twenty years between 1880 and 2000, America will have changed from a society in which two out of ten paid workers produce services to one in which nine out of ten paid workers produce services.

Historically, the very nature of human development has been defined by the work that people do and the tools they use: hunters, gatherers, farmers, bronze age, iron age, and the industrial revolution. If we are to label ourselves in these historic terms, we are a people nearing the end of a revolution in work. Indeed, we are now living in a new age—the service economy.

As a working people, we are no longer wheat stackers, steel makers, and hog butchers. We are doctors, teachers,

This article is an adaptation of Mr. McKnight's speech presented at the American Public Welfare Association's fiftieth anniversary National Round Table Conference held in Washington, D.C., in January 1980.

We are now a society in which two-thirds of the people derive their income through service.

clerks, social workers, insurance agents, and bureaucrats.

This shift in the nature of work—the movement to a service economy—may be the most important change that we've experienced in our century. It is a change that is largely unrecognized, but public welfare workers are the very embodiment of that change. Public welfare workers *are* the service economy. Therefore, it is important that we understand the nature of a service economy if we are to prepare for our future and the future of those we serve.

Service Economy Expresses Highest Hope of Human Beings

There are at least six facts about a service economy that are important to people in the public welfare field. First, the service economy is an expression of the highest hope of human beings. We no longer depend upon the sweat of our brow to survive. We don't have to spend all our lives in the mines, the fields, and the factories. We can care and serve; we are now a society where two-thirds of the people derive their income through service. Thus, the last century has seen the fulfillment of one of the great dreams of humankind.

Second, we need to recognize that the largest institution for producing services is government.³ Government or government-funded programs have been the primary instruments for implementing the dream of a service economy. Yet, that dream is being threatened across America by the popular tax revolts. Many people are rebelling against the dream by voting to shut off the major sector that produces services. It is a paradox. We dreamed of a society that could serve, but many Americans are now rejecting that dream.

Third—and particularly important for people concerned about the poor—much of the service economy is not place related. The production of goods—growing wheat or making steel—can best be done in specific places. In the service sector there are fewer limits on the places where work can be done. For example, when I decided to present this paper to you in Washington, I picked up a telephone in Chicago to make a hotel reservation. The person on the other end of the line asked me where I wanted to stay. After I said "Washington," I asked,

"Where are you?" She said, "I'm in Memphis." I asked what she was doing. She said, "I'm checking with our computer in New York." So from Chicago to Memphis to New York to Washington I reserved a room.

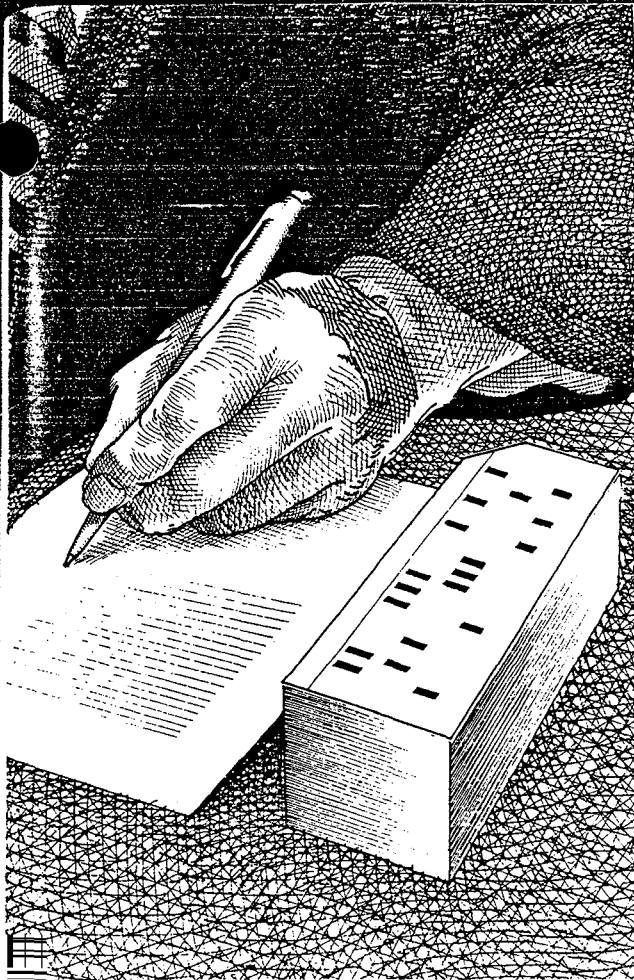
This phenomenon is characteristic of much of the service economy. There is no particular place that controls where the work is done—unlike a steel mill or a farm. Nonetheless, because we still think in terms of producing goods, we believe that people need to go where the work is. The service economy, however, presents a great opportunity to move work to where people who need work are located. There is no reason that the telephone operator in Memphis had to be in Memphis. She could have been in the ghetto on the Southside of Chicago and the system would have worked just as well. Unfortunately, in most of our great cities, we have put our service industries downtown in the commercial district. There is no reason for them to be there. We ought to be creating the incentives that would locate the jobs of the service economy in neighborhoods where people need work rather than stacking them up in skyscrapers in the center of cities and wasting energy to transport people there.³

There is a fourth point about the service economy that is essential to the interest of lower income people. Most people understand the development of the service economy as a shift from blue-collar to white-collar work. We assume that a white-collar worker needs more education than a blue-collar worker. However, a close look at the nature of the *developing* work in the service economy shows that assumption is often incorrect. In fact, what is happening now in the service economy is a massive rationalizing and segmenting of work. The same thing that happened to automobile making on the assembly line is happening to white-collar work.

Think about your own experience. The most visible example of this mass production system applied to service work is the franchise industry. Go to a fast food franchise. You ask the service employee for a hamburger. She turns around and picks out a green papered item marked "hamburger." She then turns to the cash register that has a green key that says "hamburger." If she can't read "hamburger," she does know green. She punches the button and it shows the price, \$.75. You give her \$1.00. She must be educated enough to be able to punch the buttons that ring up \$1.00. The machine will subtract \$.75 from



\$1.00 and tell you that you need to be buying in a steel in America. "assembly-line within the cost of high s This industry that, if we're people who omy is not a cation. Indeed creating a sy is needed by Fifth, we r dous need for are right, bet employ 15 to tions.⁴ Put in fectively con for the next : greatest chal what th colleges, art pect to deliv



Government or government-funded programs have been the primary instruments for implementing the dream of a service economy.

Human Need Is Raw Material of the Service Economy

This question leads to the sixth point about a service economy. Most of us believe that there is no limit to how much service we can produce. If service is an expression of care, then certainly it is clear that you can never care enough. There may be a limit to how many automobiles you can make or use, but there seems to be no limit to how much care and service you can produce.

We recognize that there is a limit to the goods we can produce because the raw materials are limited. The raw material of the steel industry is coal, lime, and iron. We know these resources are limited. On the other hand, the raw material of the service economy is human need. Our *deficiencies* and unmet needs are the ore and coal of the service industry. Thus, the servers called teachers need students. But as their raw material declines, as the baby boom drops off, what are they to do? How can they justify their work in the same numbers as the child population decreases? One answer is to "discover" new needs, unperceived needs, unmet needs—or the need for "life-long learning."

Consider American law schools. In the next three years, they will produce 127,000 lawyers, increasing by 25 percent the number of licensed attorneys.³ What is the need—the raw material—for their industry? What will all of these new lawyers say you need that you didn't know you needed?

The service economy presents a dilemma: that is the *need for need*. As a million people each year move from goods to service production, the service industry requires more raw material—more need. We can now see that "need" requires us to discover more human deficiencies.

I have recently observed two examples of this discovery of new human need. At a conference on service to the elderly I met a person being trained as a bereavement counselor. She will receive a masters degree in order to help people through their grief after they have lost a loved one—for a fee.

How many people in the United States are feeling they have a "need" for that bereavement counselor? Certainly people grieve: it is a hurt that people have suffered for eons. But does that grief constitute a need for service? Or

\$1.00 and tell her your change is \$.25. Anyone who tells you that woman, because she is in a service industry, needs to be better educated than the person who is working in a steel mill, does not understand what is happening in America. Throughout America service work is being "assembly-lined," broken down into small pieces that are within the command of most people who have dropped out of high school.

This industrialization of the service economy means that, if we're serious about producing opportunities for people who have been disadvantaged, the service economy is not a system that necessarily demands more education. Indeed, the managers of the service economy are creating a system that often requires *less* education than is needed by a farmer or a steel worker.

Fifth, we need to recognize that there is still a tremendous need for more service jobs. If some labor economists are right, between 1980 and the year 2000 we will need to employ 15 to 20 million more people in service occupations.⁴ Put in terms of people, that means that we will effectively convert a million goods-producing jobs a year, for the next twenty years, into service jobs. Perhaps the greatest challenge for those two decades will be deciding those jobs will be. Today our high schools, junior colleges, and universities are filled with people who expect to deliver services. But what services do we need?

Professional efforts to certify work in the service area are stealing jobs away from the poor by putting those jobs in an elite status.

does the bereavement counselor need that hurt more than the person in grief needs her help?

Another example is a person I recently met in a Canadian city: he is a recluse manager. This service was developed when a recluse died and no one found him until fourteen days later. A newspaper photographer took a picture of the room where he lived. People were shocked, and the result was the conversion of his death into a need. The local government created a committee of officials who decided to respond to the need his death created. They recommended that the city create a new service—recluse management. The committee also wrote a manual that now guides recluse managers. It tells the managers how to find recluses, how to observe them without their knowing they are being observed, and when to intervene in their lives.

Does the person in grief or the recluse "need" service? Or does the service economy need grief and recluses? Considering the gross national product as an indicator of the national well-being, the answer is clear. If kin deal with grief, it will never be counted as a product. If a bereavement counselor deals with the grief, our gross national product will increase. If an old man dies and is undiscovered for fourteen days, he is worthless. If a recluse manager controls his death, the service economy will count his death as a product of value.

In the city of Chicago where I work, the neighborhoods are falling down around us. People need work and a decent income. While there is less and less money for the poor, there are more bereavement counselors and recluse managers—more and more servicers who need the poor. We may have reached that point where there are more people in Chicago who derive an income from serving the poor than there are poor people.

The American Public Welfare Association is caught in this dilemma. Do its members need the welfare clients more than clients need their service? In a service economy, the welfare recipient is the raw material for case workers, administrators, doctors, lawyers, mental health workers, drug counselors, youth workers, and police officers. Do the servicers need the recipient more than she needs them?

In terms of the gross national product, the answer is clear. The recipient is much more valuable in her dependency; she is a national resource. If she were a productive

member of our society, the net loss to the gross national product could be very significant because she may never produce as much income as the income derived from her dependency.

Northwestern University recently completed a study in a low-income neighborhood where 60 percent of the people are dependent on welfare.⁶ In that neighborhood, for every welfare dollar a recipient received in cash income, \$.57 was spent for only one service—medical care. One dollar for the poor and \$.57 for doctors, nurses, and hospitals. Who really needs whom in that kind of economy? Those who provide services for that neighborhood may derive more income than those who receive welfare. That is not a poor neighborhood; it is a serviced neighborhood.

Institutions, Interests Promote Clienthood and Dependency

There is, of course, another way. We don't have to have policies that produce dependency. No group should be better prepared to develop new policies than the American Public Welfare Association. Nonetheless, some people claim that APWA's vision has been blurred by its own dependency on the service economy.

I have listened to your members here and across the country. I think that you really do know what needs to be done. Indeed, you know better than anyone else the human tragedies created by service dependency.

You, more than anyone else, know the importance of the right to work, the right to income, the right to real authority, the right to care rather than to be served, the right to tools that allow people to produce rather than consume, the right to working neighborhoods, the right to working farms, and the right to be free from racism. You know these are what we really need—not more service. On the other hand, we must admit that we have failed to identify the enemies of those rights.

My father recently told me that, during the New Deal when Franklin Roosevelt was president, most people understood this country as a place where there were *interests* that were the enemies of the common people. But, he said, today we identify the enemy of the people as poverty, sickness, and disease. My father insists that the enemy isn't poverty, sickness, and disease. He argues that the

enemy is a
tagged by c
His wis
Enemies of
those prof
certificatio
certify wo
from the p
quiring the
people do
The ene
come are
and maint
ployment.
The ene
people to
bureaucra
They wan
The ene
service sy
dency.
TI—
holo

We must commit ourselves to reallocation of power to the people we serve so that we no longer will need to serve.

for a very few and increasingly produce goods that working people can't afford.

The enemies of the right to working neighborhoods are those banks, savings and loans, and insurance companies that literally steal the savings of poor and working-class people and use that money to make loans to foreign governments to build tanks or to corporations to build resort condominiums in distant states.

The enemies of the farm people are the agribusinesses of America.

The enemies of the "voice of the people" are the great television networks that have created a mindless unquack that drowns out the voices of the poor as they try to speak to us.

The enemy of freedom from racism is all of us—all of us who have so quickly forgotten Dr. Martin Luther King's dream.

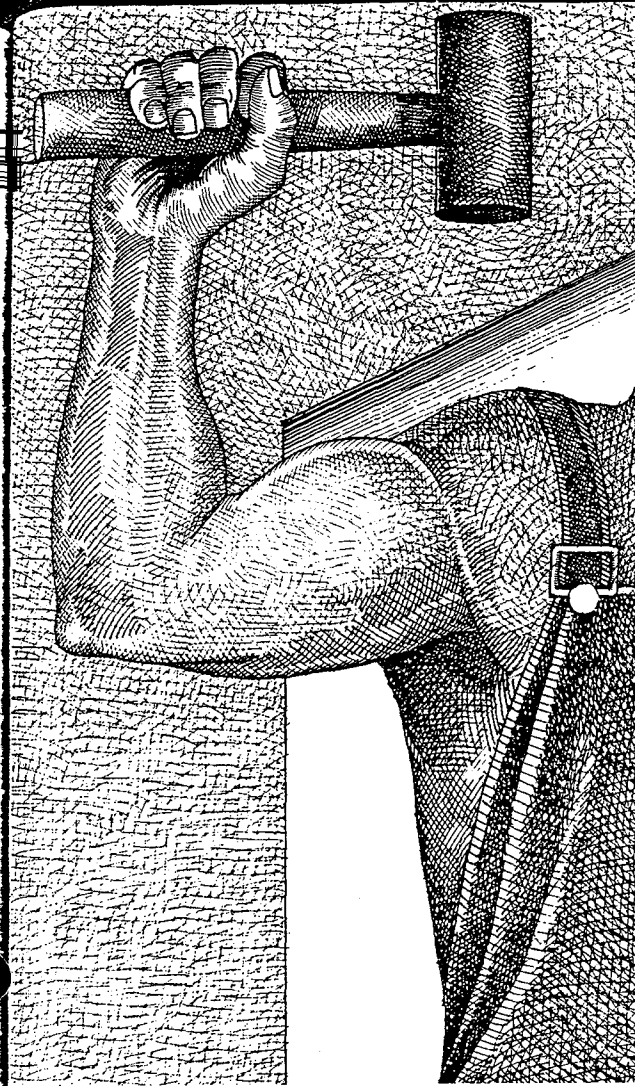
My father, that voice of older America, is right. The enemy is not poverty, sickness, and disease. The enemy is a set of interests that need dependency masked by service.

If the members of the American Public Welfare Association are public servants and *not* public servicers, there is a clear need ahead to engage in a new struggle to reinvent America. The incrementalism that we have depended upon just isn't working anymore. We cannot delude ourselves. We must be true to ourselves and to those we represent.

We are in a struggle against clienthood, against servicing the poor. We must reallocate the *power, authority, and legitimacy* that have been stolen by the great institutions of our society. We must oppose those interests of corporate, professional, and managerial America that thrive on the dependency of the American people. We must commit ourselves to reallocation of power to the people we serve so that we no longer will need to serve. Only then will we have a chance to realize the American dream: the right to be a citizen and to create, invent, produce, and care. **PW**

John L. McKnight, B.S., is associate director, Center for Urban Affairs, and professor of communication studies and urban affairs, Northwestern University, Evanston, Illinois.

For "Notes and References," see Table of Contents.



nal
ver
her

in a
ople
for
me,
One
and
on-
ood
are.
gh-

e to
oup
han
ess,
red

the
s to
the

e of
real
the
han
ight
ism-
ser-
fail-

Deal
un-
ter-
he
v
er
the

enemy is a set of institutions and interests that are advantaged by clienthood and dependency.

His wisdom reminds us of what we already know. Enemies of the right to work and the right to income are those professionals involved in increasing the demand for certification and licensure of work. Professional efforts to certify work in the service area are stealing jobs away from the poor by putting those jobs in an elite status, requiring the kind of training and education that most poor people do not have.

The enemies of the right to work and the right to income are the business leaders who continue to support and maintain large-scale unemployment and underemployment.

The enemies of the right to authority—the power for people to act and decide—are governmental officials and bureaucrats who are fearful of a transfer of authority. They want "participation" but oppose popular control.

The enemies of the right to care are the architects of the service systems and the professionals who need dependency.

The enemies of the right to popular tools are the technologists who create "megsystems" that provide work