

In the US, It's War on the Poor

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PRESIDENT OBAMA'S STATE of the Union speech January 28 confirmed that the rulers' war on the poor will continue with little resistance by government. Obama barely referred to the poor, and when he did so it was in the typical conservative "pull yourself up" discourse. He did mention raising the minimum wage for new federal contracts in 2015 to \$10.10 (with the inclusion of people with disabilities pending).

There are some 50 million Americans living in official poverty (based on income only). The problem today is not a "declining middle class" but a growing working poor. The working poor are disproportionately African American and other minorities.

Sharon Parrott in a commentary on the Center on Budget and Priorities website writes that *"poverty and hardship remain high, with millions of Americans having trouble putting food on the table and a roof over their heads. Nearly 50 million Americans were poor in 2012, including 13 million children, and 16 million people lived below half of the poverty line."*

"Moreover, large racial disparities remain, with child poverty much higher and the share of African Americans with a college degree much lower than among whites. Meanwhile, poverty in America is high compared to other wealthy nations largely because our safety net does less to lift people out of poverty than those of other Western nations." [1]

Parrott had served as Counselor for Human Services Policy at the U.S. Department of Health and Human Services (HHS) from August 2009 until November 2012. She is the Vice President for Budget Policy and Economic Opportunity, focusing on the impact of budget and tax policy, and previously worked at the Budget Center from 1993 to 2009.

Obama failed to draw a balance sheet on the 50-year War on Poverty or the right wing drive to eliminate most of these programs. Instead he talked about the so-called middle class and "economic opportunities" for all, while the fact that millions of Americans, including children, live with hunger ("food insecurity") was not mentioned.

The contrast to Lyndon Johnson's State of the Union in 1964 is deafening. Johnson outlined his "War on Poverty" that included plans to expand Social Security and to launch Medicare and Medicaid — three programs that have brought most 65-and-older citizens out of poverty.

Those decisions were roundly attacked by the conservative movement (Republicans and Dixiecrats) as "big government socialism." At every turn the right sought to reverse those programs, and in fact the War on Poverty was never fully funded.

Yet Johnson, the following year in his 1965 State of the Union, explained that poverty is a curse of the country, and how it hits Black and Mexican Americans (among others) hardest. Johnson, who grew up in rural Texas, stated that legal rights were not going to feed or educate poor children.

King's Role

Johnson's push for a bigger safety net was no accident. The massive civil rights movement had pressured the ruling class to move against its own in the southern states. Johnson broke with his racist southern Democrats to pass the 1964 Voting Rights Act (followed by the 1965 Voting Rights Act).

Martin Luther King and his allies stated in the 1963 March on Washington that the battle is for equal rights and economic justice. Without economic justice, he said, Blacks could not achieve full citizenship. Legal rights were just a start toward full equality.

King began organizing the Poor People's Campaign immediately after the 1963 march and the passage of the new laws. He advocated using government power to advance economic justice, and affirmative action to help level the playing field.

President Johnson issued an Executive Order in 1965 explicitly requiring contractors to "take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin."

Johnson and the more astute wing of the ruling class were responding to rising anger in the Black community. Militant Black Power nationalists symbolized by Malcolm X before his assassination in 1965 were demanding full Freedom Now. There were urban rebellions in many Black communities. The ruling class fear of more radical actions spurred these reforms.

At the same time, Johnson was expanding the U.S. war in Vietnam. That escalation posed the issue sharply — war spending versus economic justice for African Americans and the poor.

King came to the conclusion that the Vietnam War was immoral and should be opposed. On this issue, in a 1967 speech in New York City, he broke with most of the official civil rights leadership, who relied on Johnson as a strong backer of civil rights.

King thus was pushing on two key social (and class) issues: the poor and the Vietnam War. That was a reason he needed to be eliminated. After he was assassinated in Memphis in 1968 while supporting striking sanitation workers, his 1968 Poor People's Campaign, including the Tent City in Washington D.C., failed to take off. The government stepped up its infiltration and violence against Black rights and militant nationalist groups.

Some 50 years later it is clear that war spending won. The budget on the poor and poverty has been under fierce assault for some three decades. Obama, whatever his personal views on these issues, carries out ruling class policies on war spending and neglect of poverty.

The Vital Safety Net

The Census Bureau has two definitions of poverty — "official" (money income only) and "supplemental" (all aid). The first does not include non-cash benefits such as food stamps and earned income credits. The second is determined by the Census Bureau's Supplemental Poverty

Measure (SPM) that includes all sources of income.

According to Sharon Parrott, *“Today’s safety net — which includes important programs and improvements both from the Johnson era and thereafter — cuts poverty nearly in half. In 2012, it kept 41 million people, including 9 million children, out of poverty, according to the Census Bureau’s Supplemental Poverty Measure (SPM). If government benefits are excluded, today’s poverty rate would be 29%; under the SPM, with those benefits, the rate is 16%.*

“Most analysts view the SPM as a better poverty measure than the ‘official’ measure because it’s more comprehensive. The SPM counts not only cash income but, unlike the official measure, also non-cash and tax-based benefits, such as SNAP (food stamps), the Earned Income Tax Credit (EITC), and rental vouchers. Also unlike the official measure, it accounts for income and payroll taxes paid, out-of-pocket medical expenses, and child care expenses, and it adjusts the poverty line to reflect geographic differences in living costs.

“Beyond reducing poverty, alleviating hardship, and giving millions of Americans access to health care, the safety net also generates other important achievements, with research showing that programs such as SNAP and the EITC have long-term positive educational and health benefits for children.”

While expressing support for the safety net programs, Obama and most liberals in Congress have accepted cuts (\$8 billion for SNAP over 10 years), even as more Americans fall into poverty. Obama also supports “chained CPI” to measure an increase in Social Security benefits each year. This change will cut income to seniors and those on permanent disability.

The neoliberal objectives — deregulation, smaller government and weak or no government provided safety net — are ideological more than fiscal, since very little money is saved by cutting food stamps for example. The conservatives’ “it’s your fault, not society’s” ideology, that African Americans (and others who are poor) have themselves to blame for their situation, is hardly new.

Many on the right openly proclaim that the minimum wage should be abolished. Others argue that antipoverty programs hadn’t actually reduced poverty (despite evidence) because poverty in America is a social problem caused by broken families, crime and dependency that are only reinforced by government aid.

In fact, the signature anti-poverty programs Medicare and Medicaid have significantly improved conditions for those over 65 and for children. Working poor are the majority of food stamp recipients because of such low wages (e.g. Walmart and the fast food industry).

These safety net programs help minority communities the most. It is not a surprise that the states that have the lowest wage and weakest safety net programs, and refused to expand Medicaid under the Affordable Care Act, are Republican run and in the South. They have the highest racial disparities in all social economic categories.

Defending and expanding these programs that the broad public supports is key to rebuilding a progressive political movement. It is a way to unify the interests of all workers, discriminated racial minorities, and poor whites.

Impact of Protests

Protests against income inequality, and calls to raise the minimum wage to \$15 an hour, tap the

deep ferment among the working poor and powerless who know that the system is rigged. The demands are directed at the state, and all branches of government.

Reforms will be won when the super-rich fear that protests could turn disruptive and threaten their wealth and rule. Liberals, like conservatives, don't want mass protests that can challenge the capitalist system. President Obama, the current spokesman for the rich, agrees.

Obama's demonization by the far right (including racist caricatures) is pure capitalist internecine politics. The reality is that the ruling class knows that Obama is their friend. He saved Wall Street from collapse, and handed it the best profits of any recent U.S. president.

Movements for fundamental changes to the system will not be led by those of the liberal establishment, including the existing trade unions. New organizations and leaders will come from extralegal direct action of the people themselves.

Even some liberals see the possibility of a new progressive movement. Paul Krugman, the liberal Keynesian economist and New York Times columnist, in an article on the "War Over Poverty," notes that the battle is beginning to shift to the side of the working poor:

"And if progress against poverty has nonetheless been disappointingly slow — which it has — blame rests not with the poor but with a changing labor market, one that no longer offers good wages to ordinary workers. Wages used to rise along with worker productivity, but that linkage ended around 1980.

"The bottom third of the American work force has seen little or no rise in inflation-adjusted wages since the early 1970s; the bottom third of male workers has experienced a sharp wage decline...Or to put it a different way, the problem of poverty has become part of the broader problem of rising income inequality, of an economy in which all the fruits of growth seem to go to a small elite, leaving everyone else behind.

"So how should we respond to this reality?

"The conservative position, essentially, is that we shouldn't respond. Conservatives are committed to the view that government is always the problem, never the solution; they treat every beneficiary of a safety-net program as if he or she were 'a Cadillac-driving welfare queen'... (F)or decades their position was a political winner, because middle-class Americans saw 'welfare' as something that Those People got but they didn't.

"...the rise of the 1 percent at the expense of everyone else is so obvious that it's no longer possible to shut down any discussion of rising inequality with cries of 'class warfare.' Meanwhile, hard times have forced many more Americans to turn to safety-net programs.

"(A)s conservatives have responded by defining an ever-growing fraction of the population as morally unworthy 'takers' — a quarter, a third, 47 percent, whatever — they have made themselves look callous and mean spirited...Republicans are still opposed to extended benefits, despite high long-term unemployment. But they have, revealingly, changed their arguments. Suddenly, it's not about forcing those lazy bums to find jobs; it's about fiscal responsibility. And nobody believes a word of it.

"Meanwhile, progressives are on offense. They have decided that inequality is a winning political issue. They see war-on-poverty programs like food stamps, Medicaid, and the earned-income tax credit as success stories, initiatives that have helped Americans in need — especially during the slump since 2007 — and should be expanded. And if these programs enroll a growing number of

Americans, rather than being narrowly targeted on the poor, so what?

“So guess what: On its 50th birthday, the war on poverty no longer looks like a failure. It looks, instead, like a template for a rising, increasingly confident progressive movement.” [2]

Krugman’s optimistic prognosis may be overstated, but the signs of a deeper resistance are definitely on the horizon.

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P.S.

* From Against the Current n°169, March/April 2014: <http://www.solidarity-us.org/>

Footnotes

[1] January 7, 2014, <http://www.cbpp.org/cms/index.cfm?fa=view&id=4074>

[2] “War Over Poverty,” January 5, 2014