

"The Importance of Targeted Universalism,"

by John A. Powell, Stephen Menendian & Jason Reece March/April 2009 issue of **Poverty & Race**

The impulse to craft universal rather than targeted public policies is natural for a democratically elected leader, accountable to a broad electorate. The conventional wisdom suggests that particular or targeted policies will not garner the same level of support as universal policies. Targeted policies and programs (poorhouses in the 19th Century, mothers' pensions in 1910, the War on Poverty in the 1960s) are likely to be viewed through the prism of zero-sum politics. At a time of perceived scarcity and contracting government budgets, targeted policies may be viewed as favoring some constituent group rather than the public good. If the target group is historically disfavored or considered "undeserving," targeted policies risk being labeled "preferences" for "special interests." In order to avoid alienating voters, policies are often packaged for broad appeal.

As the default alternative to targeted policies, universal policies suffer from a conceptual defect. Universal policies assume a universal norm. Universal programs begin with some conception of what is universal. This conception, in fact, reflects a particular. The Social Security Act, often described as the quintessential universal policy, was universal only insofar as the universal was a white, male, able-bodied worker. In its early years, the elderly were excluded since they had not been in the workforce or in it long enough to qualify. The definition of work excluded women. Under the cultural norms of the era, men were the primary wage-earner, and women typically worked in the home. As a consequence of discriminatory patterns, they were often kept out most areas of the labor force. Unpaid household labor and child-rearing responsibilities are not counted toward Social Security earnings. Even today, women who take time off to raise children or select careers with more flexible working hours will earn less, on average, than their male counterparts and will therefore have lower Social Security benefits upon retirement. And because of exclusions of agricultural and domestic workers, since rescinded, exclusions built in to appease Southern resistance to the Act, 65% of African Americans were denied its protections.

As troubling as is the conceptual problem of defining what exactly is meant by "universal," broadly conceived universal programs are very likely to exacerbate inequality rather than reduce it. Defined as one of this country's greatest accomplishments, the Interstate Highway Act of 1956 used federal dollars to subsidize the creation of the suburbs. This was the largest public works project in American history at the time. It gave impetus to waves of migrating middle- and upper-class families to abandon the central cities for the suburbs. At the same time, many downtown regions were surrounded or demolished by massive highway construction, and the revenue generated by these projects did not return to the communities that were losing their churches, schools and homes. The ensuing arrangement of racially isolated urban dwellers and equally racially

isolated suburban residents, hastened by the white flight that followed Brown v. Board of Education's integration mandate, is a pattern we live with today. Simply put, ostensibly universal programs have no less potential to exacerbate inequality than ameliorate it. Treating people who are situated differently as if they were the same can result in much greater inequities.

False Choices

Universal and targeted approaches are false choices. There is a third possibility. An alternative to either a straight universal program or a solely particularistic program is to pursue what we call "targeted universalism." This is an approach that supports the needs of the particular while reminding us that we are all part of the same social fabric. Targeted universalism rejects a blanket universal which is likely to be indifferent to the reality that different groups are situated differently relative to the institutions and resources of society. It also rejects the claim of formal equality that would treat all people the same as a way of denying difference.

Targeting within universalism means identifying a problem, particularly one suffered by marginalized people, proposing a solution, and then broadening its scope to cover as many people as possible. It sees marginalized populations in American society as the canary in the coal mine, to borrow a metaphor developed by Lani Guinier and Gerald Torres. It recognizes that problems faced by particular segments of American society are problems that could spill over into the lives of everyone, just as the Lower Ninth Ward was not the only part of New Orleans to suffer in the wake of Katrina. Likewise, the subprime credit crisis did not end in poor, urban communities, but has spread far beyond and has been felt throughout the global economy.

Targeting within universalism means being proactive and goal-oriented about achievable outcomes. As an initial step, an Opportunity Impact Statement (see accompanying article, p. 13) could be employed to gauge how a universal policy would impact particular groups. But an impact assessment alone, although a move in the right direction, is not enough. At times, the impact will not be predictable. In a complex real-world setting, policies have unintended consequences and resistance that thwart policy intentions. It is critical that targeted universal policies set clear goals and use mechanisms to closely monitor and correct for negative feedback loops and other resistance to achieve those goals.

An Approach to Infrastructure Investment

President Obama's \$787 billion dollar infrastructure stimulus plan will fundamentally reshape our nation, as the Highway Act and other public works projects of the last century did for the baby boomer generation. If the infrastructure rebuilding merely follows the same patterns of resource allocation, it will make things worse, not better. A program to build large-scale broadband networks will not reduce the digital divide unless access is cost-inexpensive so that low-income

families can afford the service. In addition, there must be support for these new users to educate them on how to take advantage of this technology. Affluent students and parents from wealthy districts often have access to the Internet and computer technology as a matter of everyday life.

Many of the current proposals for spending the infrastructure funds look to divert much of the funding to existing road proposals across states. This broad and regressive use of the infrastructure stimulus funds may produce jobs in the short term, but it is just a replication of existing models of public investment that have produced inequitable and unsustainable growth. What are truly needed are strategic investments that produce economic development at a broad scale while strategically transforming communities and cities. Road investments spread widely will not reach this goal. Instead of spreading infrastructure funds broadly, we need to use funds to invest in our most investment-deprived communities in our cities. By making these communities more functional, we increase the economic competitiveness of our cities and region, which are the economic growth engines for our economy.

In addition, we must think more strategically about who benefits from investments in new technologies. Instead of investing billions in wind power infrastructure which would be capital-intensive and produce few jobs, would it be better to target funds to energy-efficient home improvements? This labor-intensive investment could train and employ underemployed workers to recondition homes with energy-efficient measures (like insulation and heating/cooling improvements) while subsidizing these home improvements in low-income communities, where the energy efficiency gains will impact our most economically vulnerable households. In essence, this approach would produce universal environmental gains (energy conservation), while targeting many of the benefits to our most vulnerable households (through energy savings and employment opportunities).

Similar critiques could be made of the initial response to the credit and foreclosure crisis. The initial response provided no widespread comprehensive policies which were goal oriented (keeping more people in their homes). The response in Fall of 2008 gave massive financial support to Wall Street but limited relief for vacant property reform and weak support for foreclosure prevention. But, even the \$4 billion in vacant property support was problematic. Neighborhood stabilization funds targeted toward cities to address the impact of the foreclosure crisis only address the outcome of foreclosure (vacant properties), and cities have been given little incentive to target funds to holistic approaches (foreclosure prevention, counseling, and negotiating loan workouts with lenders) or to specific neighborhoods (such as the communities of color most impacted by the crisis). The initial housing plans from the Obama administration look more promising, with multiple policy mechanisms to prevent future foreclosures, such as incentives for workouts, providing some flexibility for Judges to modify loan terms in bankruptcy and refinancing offered for those loans affiliated with Fannie Mae and Freddie Mac. Although these new initiatives are untested, these new policies appear

promising, but the response cannot end with these initiatives. We still must comprehensively look at the impact of vacant properties on neighborhoods must devastated by the crisis and look at the longer term goal of providing sustainable credit and housing to highly impacted communities in the future. These new goals must guide future policy and be responsive to the concentrated racial footprint of bad loans and foreclosures, targeting resources and initiatives to assure sustainable credit and stable housing for the future of these communities.

The manifold crisis of our fundamental institutions, from our system of health care provision to the regulatory apparatus of our banking system, has produced a once-a-century opportunity for institutional change. The opportunities to transform our present institutional and regulatory arrangements are now open. The policies we promulgate will set the course of development for generations to come, just as the post-New Deal and post-WWII arrangements laid the groundwork for generations that followed them. This window of opportunity will remain open for only so long, and the chance for dramatic change will diminish. In this moment, we can work towards building a more equitable future or repeat the mistakes of the past. It is critical that we meet these opportunities with the proper solutions now. If we fail at this, we will be trying to correct our missteps for years to come.

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