

✧ CHAPTER 1 ✧

How Two Countries Respond to Children's Needs

MILLIONS OF CHILDREN in the United States live in deprivation and in circumstances that endanger their well-being and their chances of becoming reasonably happy, productive, and law-abiding citizens. Many of these children live in dwellings with broken ceilings and toilets, receive inadequate care, and have no guaranteed access to medical attention. Many are in danger of abuse and violence from individuals in their families and neighborhoods. Many enter the first grade unready for schooling, set for failure.

In 1993, 23 percent of our children were living below the official poverty line.¹ Of such children, the bipartisan National Commission on Children has said, "The harshness of [their] lives and their tenuous hold on tomorrow cannot be countenanced by a wealthy nation, a caring people, or a prudent society. America's future depends on these children too."² Up to now, however, policymakers in the United States have never made a serious effort to ensure that all of our children get a minimally decent start in life through governmental action. Neither the New Deal programs of Franklin Roosevelt nor the Great Society programs of Lyndon Johnson attempted to do more than palliate child poverty.

There has been widespread realization on both the left and the right that the current American system of helping poor, single parents and their children, erected in the Roosevelt and Johnson eras, has not produced a desirable outcome for its clientele or for the

country. In the early 1990s, some modest initiatives to change the shape of the system were undertaken. More help was given to parents who were not dependent on welfare and who were struggling in low-paying jobs. Government-supported medical insurance was extended to larger numbers of such families, and a significant increase was voted in the federal payments that supplement those parents' wages. A federal program to help with the costs of child care was also instituted.³

At the same time, however, the electorate's animus against single parents who are on welfare and do not work, which had been building since Ronald Reagan's speeches about "welfare queens," continued to grow. Bill Clinton's 1992 campaign for the presidency included a promise to "end welfare as we know it," and in speaking that way—regardless of his intent—he fanned the public's impatience with the welfare system and its clients. Unfortunately, neither President Clinton nor those to the left of him presented an alternative that could be described as a thoroughgoing "reform," one that improved the incentives and abilities of single parents to earn a living and that also promised to reduce deprivation among children.

In 1994, Americans elected a Congress dominated by right-wing Republicans. Their welfare reform program featured a decentralization of the administration of welfare programs, and an end to a guarantee of aid to all eligible families. They proposed large cuts in the funding for public programs that help the families of poor children, both on and off welfare. The main force of their argument is that programs that subsidize unmarried parents create child misery. The way to reduce child misery, they argue, is to discourage teenage and adult behavior that brings infants into the world who are destined to live in poverty by cutting the programs that support them. Whatever the effect of this approach in the longer run, it would be bound in the shorter run to push millions of American children into greater deprivation.

Conservatives in the United States argue that the American system of helping poor, single mothers has been so destructive that "anything" would be better. They believe that the government has little potential for dealing in a positive way with social problems, and that government programs tend to make matters worse rather than better. The experiences of other countries, however, contradict the notion that government programs are inevitably hurtful rather than helpful.

The United States is not the only country with the problem of child poverty. Other high-income nations, particularly those in Western Europe, have wrestled with it. They also have a high and growing incidence of single parenthood; groups within their population suffer from drug and alcohol abuse and from psychological problems. All of these countries have sizable immigrant and minority populations that are marginalized culturally and economically; they have considerable unemployment. These are the kinds of problems that can create large pockets of poverty.

The countries of Western Europe have programs in place that work to shield children and their families from the effects of such problems, as the pioneering work of Sheila B. Kamerman and Alfred J. Kahn has informed us.⁴ They have built programs and devoted large sums of taxpayers' money to this effort. On a per capita basis, these countries spend a great deal more money than Americans do for programs benefiting children. They provide income supplements and housing assistance; all of their children have access to medical care under national health insurance schemes; some of these countries provide government-sponsored child care that is free or highly subsidized.⁵ The availability of such low-cost child care enables many single parents to take jobs and free themselves from total dependence on government cash grants.

The programs mounted by the countries of Western Europe have achieved a considerable measure of success in insulating children from the grossest forms of deprivation and abuse. In some European countries, as in the United States, 20 to 30 percent of the country's children have parents whose earnings alone could not keep those children from poverty. However, as table 1.1 shows, the European countries follow policies that raise above the poverty line a high proportion of the children who would otherwise be below it. These include programs specially targeted to families with children, as well as programs, like unemployment insurance, that are not but that still help such families. In the United States, by contrast, income-support policies save very few children from poverty.⁶ Among the countries listed in table 1.1, the U.S. child poverty rate is by far the highest at 21 percent—way behind the next highest, in Ireland, at 7.6 percent.

TABLE 1.1 HOW TAXES AND BENEFITS LOWER THE PERCENTAGE OF CHILDREN WHO ARE POOR IN THE UNITED STATES AND SEVEN EUROPEAN COUNTRIES, 1984–87

Country	Percentage Poor	
	Based on Wage Income Alone	Based on Income After Taxes and Benefits ^a
United States	23.3	21.0
Belgium	21.8	3.6
France	24.7	5.7
Germany	9.7	3.8
Ireland	29.3	7.6
Netherlands	14.3	4.1
Sweden	13.1	3.7
United Kingdom	29.5	7.3

Source: Organisation for Economic Co-operation and Development, "Measurement of Low Incomes and Poverty in a Perspective of International Comparisons," Labor Market and Social Policy Occasional Papers No. 14 (Paris, 1994): 43, table A.6.

Note: The poverty line used in the OECD study is 50 percent of median family income.

^a Benefits in Europe include children's allowances, housing subsidies, and unemployment insurance. In the United States benefits include unemployment insurance, Aid to Families with Dependent Children (AFDC), food stamps, housing subsidies, and the Earned Income Tax Credit. Taxes include income and social security taxes.

COMPARING FRANCE AND THE UNITED STATES

In the pages that follow, the programs affecting the children of one European country—France—are laid out in considerable detail and compared with our own. The cost of these programs is also presented, to show the size of the financial effort the French have been willing to make. France is worthy of detailed examination because it has adopted a particularly elaborate and generous set of programs designed to enhance and ensure child well-being. In addition to the cash benefits, France has been a leader in providing child care and in setting up a system of preventive medicine for children. Its programs and their efficacy in keeping child poverty low are far less known to the public and to social policy analysts than are those of Sweden.⁷ But, like Sweden, France has successfully accomplished a task that we in the United States must eventually tackle.

Differences Between Programs in the United States and France

There is a dramatic difference in expenditure levels between French and American programs that help families with children. When it

comes to child care, income supplementation, and medical care, the French spend 59 percent more per capita.⁸ The French and American benefit programs are also structured very differently: most of the cash benefits that the American government gives to families with children go to “welfare mothers”—single parents who have no job, and who lose most of their benefits if they take a job. French programs, on the other hand, do not contain this disincentive to work or to maintain a marriage.

French programs send help to a far wider segment of the population than do American programs. Much of the expenditure in France goes into programs that are available to families with children regardless of the parents' income, and regardless of whether there is one parent in the family or two. A large segment of the French spending goes to parents who work at jobs but bring home low wages. Thus, these programs maintain French parents' incentive to get and hold jobs; government help does not desert them when they do so, as is the case in the United States.

One important cultural difference between the United States and France that has an effect on programs that help families with children is the latter's longstanding pronatalism—the response to an historically low birth rate, exacerbated by repeated invasions by neighboring Germany. France's anxieties about the size of its population provided some of the original impetus for programs to provide generous benefits to families with children and have undoubtedly made it easier to rally support for such benefits.⁹ French pronatalists had hoped through such programs to coax large numbers of married couples to have big families.

Although these programs have not been successful in achieving that aim,¹⁰ the level of support for them remains high, because another rationale for government support for child well-being is widely appreciated. The French are very proud of their nation and their culture and have a vision of their children as the future bearers of that culture. The country's social programs are perceived as guarding the quality and well-being of France's future adult population, including those who need the most help in becoming productive citizens.¹¹ These policies have been a great help to families at the bottom of the income scale, particularly single-parent families, although help for the latter was not high on the pronatalists' original agenda.

The lack of a pronatalist agenda in the United States does not mean that these French programs are of no relevance to Americans

looking for a new approach to the problems of child poverty. For our purposes, the historical circumstances that led to the adoption of these programs in France are far less relevant than the possibility that variants of them might work well here. If similar programs could raise the living conditions of our poorest children, and improve the incentives for their parents to take jobs and stay together, then such programs deserve to be considered—and the politicians and the public might consider them to be worth their high cost.

Similarities Between France and the United States

While France and the United States differ in many important respects—culturally, socially, historically—their similarities are worth noting. Both are democracies in which citizens enjoy personal freedom and in which most economic functions are carried out by private enterprise. Table 1.2 shows that the two countries have similar rates of growth and rates of investment, despite radically higher taxes in France. France, along with the rest of Europe,

TABLE 1.2 ECONOMIC AND DEMOGRAPHIC DATA FOR THE UNITED STATES AND FRANCE, 1991

Data	United States	France
Population	252,688,000	57,050,000
Per-capita gross domestic product	\$22,204	\$18,227
Annual rate of growth, 1981–91 (%)	2.2	2.2
Annual rate of investment (%)	2.1	2.3
Taxation as a % of GDP	29.9	43.7
Life expectancy (years)		
Men	72.0	73.0
Women	78.8	81.1
Self-employment as a % of total employment	8.8	8.9
Unemployment rate (%)	6.6	9.3
Women's labor force participation rate, ages 25–54 (%) ^a	72.0	73.5
Births to unmarried women as a % of all births ^b	28	30

Source: Except where indicated, the source is *OECD in Figures*, 1993 edition.

^a *Contours et caractères; les femmes* (Paris: Institut National de la Statistique et des Études Économiques, 1991), 96.

^b For the United States, the source is U.S. Bureau of the Census, *Statistical Abstract of the United States, 1993*, (Washington, 1993), 78, table 101; for France, see *La Société Française: Données sociales, 1993* (Paris: Institut National de la Statistique et des Études Économiques, 1993), 25. The data for both countries refer to 1990.

has considerably higher unemployment rates than the United States does at this time, although in earlier, postwar decades, the rate of French unemployment was considerably lower than in the United States, which suggests that high taxes and benefits are not invariably associated with high unemployment rates. French per capita income is about 82 percent of that in the United States, but life expectancy is somewhat higher. Women participate in paid work to a similar extent in the two countries and the proportion of babies born to unmarried parents is about the same.

In modern industrialized countries the expenses of children's upbringing and the special difficulties of managing a single-parent household are basically the same, whether the country is France, Sweden, or the United States. The cultural and historical differences among countries mean only that such programs cannot be copied from one country to another without extensive adaptation. But the basic structure (as opposed to the details) of a solution to the child poverty problem that works well elsewhere is worth examining by a country such as ours, which has not hit on a satisfactory, home-grown solution. So the types of policies that have worked in France might be useful here if we can find a way to get around the roadblocks that our unique traditions present.

ACTION DIFFICULT BUT NOT IMPOSSIBLE

Timothy M. Smeeding, a leading student of poverty problems in the United States and Europe, showed in a 1992 article why the U.S. system of benefits to families with children does not work well as an anti-poverty system.¹² But it was not really intended as one. Its purpose has been to keep single parents and their children from extreme and scandalous want, from starving and homelessness. It is not designed to achieve their rescue from poverty. There is little discussion in the United States about the desirability of ending child poverty; as a result, the country has not yet even aspired to such a goal, much less started to formulate a policy to achieve it.

It is easy to identify a set of reasons that explain why progress in alleviating child poverty has been so difficult in the United States. They include the anti-tax and anti-government strain in our national character that has become an increasing part of our political discourse, based in part on perceptions that the government has not performed well in many areas and that money devoted to govern-

ment is largely wasted. Our ideology of individualism holds that people ought to stand on their own feet and that government help undermines the habit of independence. Many unattractive behaviors are attributed to the parents who are the direct beneficiaries of government benefits for children—an avoidance of work, disorderly family relations, loose sexual behavior, the feckless procreation of children the public must support, and the misspending of the money they receive for necessities on “luxuries” and “vices.”

The anger against poor children’s parents is in part connected to the problem of race relations in the United States. Americans are acutely aware that blacks make up a disproportionately high share of the poor. Some whites (and some blacks as well) incline to the view that those blacks who fail to achieve a middle-class status owe their troubles to innate or learned deficiencies, and their own behavior, rather than to any disadvantages unfairly forced on them by white society. The disproportionate share of crime that is committed by blacks is a further incitement to animus against black people, and certainly contributes to a disinclination to increase the help the government provides to the black community. Most people would not openly say that preschool black children, who are innocent of any delinquency, do not need or deserve more help. But the widespread antagonism against black people undoubtedly contributes to the opposition to giving poor families—widely but falsely perceived to be black—any more help.

Of course, the attitudes that militate against expensive and elaborate programs to help children are by no means unknown in the countries of Western Europe, France included. It is sometimes said that the European countries have been able to achieve low child-poverty rates because of their “homogeneous populations,” perhaps a euphemistic way of saying that they do not have the racial problems that we do. While differences in skin color are less of an issue in Europe than in the United States, parts of the European population harbor considerable resentment against people who are distinguishable by ethnicity, religion, or origin from the majority. In Europe, as well as in the United States, there is disgust at the rise in single parenthood, impatience with a high burden of taxation, exasperation at flaws in the government-run medical insurance system, and worry that too much government spending and government activism hurts economic growth. In France and Sweden, left-leaning parties have been defeated and replaced in government

by those of a more conservative bent. However, these new governments have done little to water down the structure of benefits for children that were erected by their more leftist predecessors.

The French example shows how timid and modest have been the suggestions of reformers in the United States. It is possible that the very modesty of their proposals, and the small likelihood that their proposals would lead to any great improvement, helped to open the way to the Republican proposals, for which radical results are claimed.

The turn in American politics marked by the Republicans' 1994 capture of the U.S. Congress is, of course, directly opposite to one that would take the American system in the French direction. The lessons we can learn from the French experience will have to be used, if they are used at all, in some future attempt to reform welfare—the one that might follow whatever “reform” the congressional Republicans enact and come after the effects of that “reform” are observed and understood. Perhaps, by then, the American electorate will be ready for a radically different approach—one that is less punitive.

When that time comes, the example of what another country has had the energy and dedication to do for its children should be of interest to Americans. It can serve to promote an eventual understanding of what a considerably more ambitious program to help children can achieve: allow families to live decently, through programs that encourage and enable work, and that help keep families together.