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## The Ambiguous Ancestry of Welfare and Social Work, 1900–1950

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As immigration and industrialization accelerated through the early years of the twentieth century, the devastating toll exacted by the depression of 1893 to 1896 awakened Americans to the sufferings of millions of unemployed. The destitute jobless depended on soup kitchens for sustenance. Misery on this scale rattled the belief that poverty originated in the character deficiencies of the poor or their sheer lack of ability. Attention turned to the incapacity of the economic system to provide a minimally adequate distribution of material benefits. Out of such traumas, a reformist movement grew. Almost immediately, a counter-reaction set in, mobilized by those who benefited from or who remained convinced of the legitimacy of the system.

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### The Progressive Era

#### The Multiple Goals and Constituencies of the Progressive Movement

Disparate goals went under “the big tent” of the Progressive movement. At best, the medley of reforms looked like a loosely woven quilt.

Spread by urban pastors, the “social gospel” inspired the moral branch of the movement. Their notion of charity broke away from puritanical, other-worldly ideals. They took to heart the need to alleviate the pain and suffering of the poor through concrete measures in the here and now. Social gospelers also decried the impact of poverty on family stability and the social development of children.

Other Progressives were dismayed with corruption in public administration. They railed against the prevalence of bribes, political cronyism, and the inefficiency that accompanied these vices.

**Charles Booth** began his pioneering research on poverty in 1886, in East London and then, over the next 17 years, extended it to all districts of the city. Carefully identifying different levels of poverty, Booth's work stood in contrast with other studies based on subjective and moralistic standards. His approach was painstakingly empirical. He measured age, access to employment, family size and composition, resources needed for maintenance, community opportunities or lack thereof, and birth and mortality rates (Booth, 1902–1904/1970).

Booth's studies were conducted block by block throughout London. This coverage enabled him to derive an estimate of the types and distribution of classes for the whole city that was a gift to policy makers. Contrary to the conventional wisdom of the time, Booth found the following classes:

- The lowest class—occasional laborers, loafers, and semi-criminals
- The very poor—casual laborers, characterized by hand-to-mouth existence and chronic want
- The poor—irregular employment or regular, ill-paid employment
- The comfortable working class, with regular and fairly paid employment
- The middle class and above, well paid and regularly employed, with assets

Booth's example had a major impact on social welfare research in the United States in the late nineteenth and early twentieth centuries. The heyday of this type of study in American social work was between the turn of the century and World War I. Louise Moore's (1907/1970) early study of household budgets made use of a longitudinal method of supervised account keeping on the part of selected families. In *Standards of Living Among Workingmen's Families*, Robert Chapin (1909/1970) adopted the retrospective approach of relying largely on the families' memory of expenditures. Chapin introduced the systematic formulation of minimum estimates for each category of expenditure and the use of a dietician's judgment to analyze the adequacy of food expenditures. From such data, Moore and Chapin calculated the minimum standard for a living wage for a normal family in the early 1900s (Zimbalist, 1977). The U.S. Department of Agriculture used this procedure, with minor improvements, in the sixties to define and measure rates of poverty in the United States.

Some social service workers joined the Progressive movement in seeking more public funds for their agencies and backing legislation to improve housing and health. For still other groups, the central goal was to improve the security of workers. This meant pushing for a minimum wage and health benefits, and cutting the length of the workday. Politically minded reformers wanted to cleanse the system of patronage and give more say to voters. The top priority of some radical and socialist-leaning leaders was the rights of unions and the use of militant labor to dismantle an unjust capitalist order. In addition, many small commercial and industrial outfits clamored

for the regulation of large corporations who were driving them out of business through unfair competition.

Some but not all of these interests overlapped. Even those with broadly similar goals were liable to go off on their own in pursuit of their favorite cause. Small factions attracted followers with fairly narrow goals, without much interest in supporting wider reforms. Those in the moral camp, for example, typically nurtured objectives in line with the social service group, but fighting for broader legislation did not excite them. Within the social service coalition itself, one faction pressed for more funds for its programs, while another backed the expansion of private programs. Still others were inclined to view assistance as a social right (Hofstadter, 1963).

### Strategies and Outcomes

Because the Supreme Court had barred federal intervention in welfare policy, the Progressive movement targeted state and local governments. The strategy required a huge effort and produced scattered outcomes—a flaw that several critics pointed out. Victories gained in one state might or might not spill over into others. The problem did not necessarily reflect any political ineptitude on the part of the Progressives; it was built into the institutional constraints of the time. Some Progressives realized that success depended on implementation at the national level. The Constitution, they noted, had been drafted when the nation was overwhelmingly agricultural. The document did not reflect the conditions and needs of an industrial society (Beard, 1965).

The movement's hope of gaining the attention of national-level decision makers fixed on Theodore Roosevelt, a Republican who in 1901 succeeded the assassinated William McKinley in the presidency and was reelected in 1904. "Teddy" sympathized with the reform agenda. In 1908, when his term was up, he mounted an unsuccessful bid for his party's nomination against his conservative successor, William Howard Taft. In 1912, Roosevelt's supporters, with Jane Addams prominent among them, convinced him to become the candidate of the recently formed Progressive Party. Roosevelt's campaign split the Republican vote and handed the victory to the Democrats. Woodrow Wilson was elected president.

To the consternation of conservatives who had supported his candidacy, Wilson turned out to be receptive to parts of the Progressive agenda—to child labor laws, for example, banking regulation, and women's suffrage. Many Progressives and labor unions supported his reelection in 1916. However, the political forces aligned against the Progressives remained strong. They kept up a barrage of attacks, accusing Progressives of disseminating pro-socialist, anti-constitutional, anti-free market—in sum, anti-American—tendencies. These attacks, abetted by the courts, blunted or reversed the few successes that the Progressives achieved (Hofstadter, 1992).

### *Maternal Welfare*

A number of concerned ministers, service reformers, and women activists pushed through legislative initiatives—mothers' pensions, local juvenile courts, and a national-level Children's Bureau—that some historians have called "maternal welfare." These groups mobilized against the disruptive effects of poverty on families and its consequences for younger generations (Leff, 1973).

Mothers' pensions were mandated in almost all the states. The program represented a breakthrough in government assistance directed to outdoor relief. But it covered only widows, who were considered morally deserving. Thus, the number of mothers covered was quite restricted, and the benefits provided were so skimpy that they undercut child care functions, since most widows had to work to survive.

If children deprived of maternal care were the concern of legislators, why were other single mothers not covered, and why were minorities excluded? Two explanations come to mind. By the moral standards of the time, widows were considered far more worthy than women abandoned by the fathers of their children. Besides, since most non-protected women in poverty were either immigrants or minorities, their offspring did not count as much as "real Americans." Another possibility is that this program was allowed as a token exception. It served as a symbolic, materially minimal nod to the moral high ground.

Many states established juvenile courts. Their rationale was to segregate children who had committed crimes from their adult counterparts. Progress in the study of human development buttressed this separation. Children and young adolescents had yet to attain the cognitive level to assume full responsibility for their acts. A related theory was that, precisely because they were at a lower stage of moral development, young people were relatively malleable and could be rehabilitated through well-designed programs. The juvenile judge would act as a surrogate parent, exercising the power of *parens patriae*. The judge was to evaluate the background and the behavior of the juvenile and decide on the program he or she needed for rehabilitation.

The "child-saving movement" had enormous influence on the creation of juvenile courts. Some historians consider it a strategy designed to assimilate hordes of immigrant children. Parents from different cultures whose customs did not accord with those of nineteenth-century America were raising poor immigrant children. Since the courts had authority over cases of parental neglect and abuse, it was easy to remove children from their parents and resocialize them. In fact, during periods of economic distress, many parents did nothing to resist this strategy. The procedure was also in line with the demand for an ever-increasing, disciplined labor force (Bellingham, 1986; Platt, 1969).

The Children's Bureau, a national program, was established in 1912. It had a meager budget, and its functions were limited to data-gathering and dispensing advice. Lacking the mandate or the resources to implement policy, the Bureau avoided political controversy. Nevertheless, for all its prudence, the major initiatives of the Children's Bureau—legislation to curb

child labor and the Sheppard Turner Bill, which provided federal funds for states to run women's and young children's clinics—were passed but eventually defeated. The first was done in by the standard argument about the unconstitutionality of federal intervention in welfare. The second went down to defeat under charges of socialized medicine from the American Medical Association (Hacker, 2002).

### *Workmen's Compensation*

In one form or another, all states passed workmen's compensation laws. The level of accidents in factories that had introduced mechanization without providing safety measures was staggering. The estimate is that at the time, about 35,000 workers were killed and many thousands more injured each year (Hacker, 2002). To obtain redress, workers had to sue companies. Although workers lost the vast majority (85 percent) of cases, it was a costly process for industry as well. The laws established state funds that received revenues from a payroll tax levied on employers. More workers were covered than previously, but the level of compensation was very low. Furthermore, the immunity that employers enjoyed from being sued reduced incentives for improving workplace safety (Castrovinci, 1976).

### *Other Achievements*

One of the lasting reforms of the Progressive Era was the meritocratization of civil service careers, promoting professionalism in public administration. Various states also instituted aftercare services for mental patients released from hospitals.

### **Critical Commentary**

The significance of the Progressive movement is not confined to its rather modest legislative achievements. It represented the first important impulse for social reform in the United States with lasting repercussions.

Why was policy reform so subdued? Part of the reason must be the ramshackle integration of the groups allied to the movement, and their neglect of a concerted political strategy. The Progressives were not strong enough to pose a revolutionary threat. Nor did they have well-organized supporters or powerful political allies. In large part, their momentum appeared to come from their moral positions, based on the appeal to right wrongs. Can reliance on calls to "do the right thing" be attributed to the naïveté of the Progressives, as many historians claim, or were there specific conditions that impeded their efforts?

With regard to the decentralization and administrative underdevelopment of the national government, nothing much had changed since the nineteenth century. The federal government's ability to draw on direct taxation was

practically nonexistent. The Supreme Court reversed and eliminated certain projects advanced by the Progressives on these issues. Reform programs were forced to follow a piecemeal, state-level approach.

A major exception to the power of conservative intransigence on this score was the passage, in 1913, of the Sixteenth Amendment, which created the personal income tax in modern form. Though such taxes had been collected as an emergency measure during the Civil War, they had been phased out in 1872. Now, after the election of Woodrow Wilson in 1912, and with the support of Progressives alarmed by the concentration of wealth and conservatives anxious to stabilize the sources of government revenues, the required three-fourths of the states ratified the amendment (Chace, 2004). The tax rate began at 1 percent of income, minus deductions and exemptions, and rose gently to 7 percent of incomes above \$500,000.

Unions, which might have provided a strong impetus for reform, were not serious players for two reasons. To begin with, the number of unionized workers grew. But these organizations were hardly representative of the huge urban proletariat. The masses of immigrants who arrived in the United States toward the end of the nineteenth century and during the first decades of the twentieth were extremely difficult to organize. While Anglo culture fretted that the “teeming multitudes” would damage the moral fiber of Americans, industrialists depended on cheap labor. For their part, eager for any employment and tied to their ethnic groups and to habits of patronage and clientelism, most newcomers could not be counted on to push for social reforms.

Secondly, the leaders of the strongest union—the American Federation of Labor (AFL), whose founder, Samuel Gompers, famously replied “More!” when asked “What is it you people want?”—stayed away from political causes and plugged away at negotiating wage and benefits contracts. Woodrow Wilson won the allegiance of Gompers by promising to improve the legal status of organized labor (Hofstadter, 1963).

The Progressive movement developed a significant critique of both unbridled capitalism and corrupt democracy. Progressives submitted the presuppositions favoring the superiority of the well to do—an ideology that had hardened over the decades—to scathing attack. Paradoxically, however, reforms influenced by the movement, especially maternal welfare, were implicated in that ideology. They bore signs of the negative stereotyping of the poor that were common to nineteenth-century thinking. Intoxicated by economic success, which evidently confirmed the supremacy of the market and the truths of the Constitution, resistance to reform waxed triumphant through the 1920s. Participation in World War I heightened a patriotism that contributed to righteous complacency (Chace, 2004).

## Social Work, 1900–1920

By the end of the nineteenth century, the Charity Organization Society (COS) and the settlement house movement had already drawn up two directions for

social work: individual help and social action. Both sets of activities were designated “social works.” At times, the expression was synonymous with “good works.”

By the early twentieth century, due in part to a change in the ideology of COS, the settlement houses and charity organizations had reached a rapprochement. A survey of working conditions in Pittsburgh, directed by Paul Kellogg, followed by others by the Russell Sage Foundation, controverted the Victorian views of poverty identified with COS.

Two examples marked this newfound collaboration. In 1909, Jane Addams was chosen as the first woman president of the National Conference of Charities and Corrections (NCCC). Secondly, in 1912, the two publications that once represented each movement, *Charities* and *Commons*, merged into *Survey*, under the editorship of Paul Kellogg, a resident of the Henry Street Settlement in New York. Nevertheless, the two movements also kept up their rivalry. Reflecting this dissension, Mary Richmond continued to argue that settlement work suffered from a lack of clarity, while Jane Addams questioned the efficacy of the COS (Drew, 1983).

The COS may have moved away from Puritanism and social Darwinism, but the embrace of scientific charity ratified efficiency as a fundamental objective. Upgrading the processing and classification of cases suited the standards of industrial bureaucracy. Mary Richmond, who had been an assistant treasurer of the Baltimore COS and then Director of Social Work at the Russell Sage Foundation, became the acknowledged leader in organizational processing techniques. Richmond established casework as *the* intervention method for social work, and she specified the guidelines for conceptualizing social diagnosis (Franklin, D., 1986).

The overall effect of these developments was to reorder the priorities of the COS and to encourage the shift from friendly visitors to professional social workers. In a speech given at the Conference on Charities and Corrections in 1901, Richmond clarified the process of helping a person in the “situation.” She defined “situation” to include aspects of the person’s environment, and the speech had a great impact on the curricula of the emerging programs. By 1904, the COS set up a one-year graduate program at the New York School of Philanthropy. In 1917, Richmond’s book on social diagnosis drew out parallels between social work and medical intervention, and it contributed decisively to acceptance of the professional status of social work. Only two years earlier, Abraham Flexner, an expert in medical evaluation, had denied that social work was or could be a profession. Events surrounding World War I also shaped the future of the profession.

The Red Cross asked Mary Richmond to establish the Home Service to respond to the traumas of servicemen and the family disruptions caused by the war. By 1918, a total of 40,000 social workers were employed in home services all over the country (Black, 1991). Two years later, the war over, the Home Service program was dismantled. But the approaches the program used—casework and psychiatric social work—flourished. The Public Health



Service and the Veterans Bureau adopted psychiatric social work as their major practice.

Clifford Beers, a previous mental patient, authored *A Mind That Found Itself* (1909), a book that triggered interest in mental health. This was followed by a study, conducted by the NCCC and the New York School of Philanthropy, assessing the situation of mental patients released from mental hospitals. The results demonstrated an acute need for aftercare services. The survey findings were instrumental in promoting the aftercare legislation adopted by various states. By 1911, social work services were integrated into New York mental health hospitals (Trattner, 1999). Mary Richmond, at the helm of the COS, continued to press for private welfare and individual intervention. She emulated the medical model of careful documentation, diagnosis, and rehabilitative intervention.

The settlement house movement represented the other structural facet of social work. A wide range of intellectual and political currents, from the social gospel to socialism, fed into the settlement house movement in the early years of the century. Many of the women residing in these settlements were active in other social movements of the Progressive Era. Their work represented quite a departure from the traditional COS style. They were part of a group of well-educated women—including Jane Addams—from affluent backgrounds, brought up in families with political connections.

The attraction of the settlement houses stemmed from an awareness of the inequities that produced and reproduced poverty. The settlement houses stood for a desire to make a difference in the communities where poor people lived. Marriage and family life did not attract many of the settlement house residents, nor were they enthusiastic about the charity work assigned to “respectable” married women. They also felt limited by traditional female professions, such as nursing and teaching. In short, they rebelled against the stereotypes imposed on their gender, and they empathized with others oppressed by inequality. A grasp of the sources of economic and social inequality informed their commitment (Hofstadter, 1956).

Different kinds of settlement houses sprung up. Not all of them, some critics have observed, were staffed by idealistic, educated women, and some opted to use control strategies on their clients (Karger, 1987). Still, many settlement houses pursued innovative participatory approaches that were dedicated, at the same time, to social reform. Hull House, organized and managed by Jane Addams and her coresidents and friends, is the best-known prototype of the movement (Hofstadter, 1956).

In 1889, Jane Addams and Ellen Gates Starr founded Hull House in the blighted neighborhood around Chicago’s South Halstead Street. Immigrants swarmed into the area. The programs that Addams and Starr developed in concert with the community made education an essential tool for achieving reform. Their goals and strategies contrasted sharply with the approach of the COS. Local participation in planning and implementing activities, leadership formation, and respect for cultural diversity were the means toward a



varied agenda through which settlement house residents expressed their commitment to democratic principles in the delivery of services. Another departure from conventional social work was the alliance of Addams and her colleagues with other movements (labor, feminists, pacifists, socialists) to achieve reforms across the board for workers, for women, and for children (Addams, 1910).

Addams supported Teddy Roosevelt as a candidate for the Progressive Party and campaigned on behalf of his candidacy for president. This was viewed by many social workers as a breach of professionalism, even among supporters of the Progressive agenda. Addams had already come in for criticism because of her resistance to social work professionalism; she feared that this development would rein in activism and make social workers vulnerable to cooptation by the status quo (Franklin, 1986).

Addams and her colleagues searched out the systemic causes of poverty and injustice and vigorously advocated for social reform. If industrial conditions were putting workers at risk or were driving them below the level of material decency, it became obvious to them that state regulation was needed to correct such situations. They allied themselves openly with various groups—some of them radical—to achieve change, and they were not shy about using political clout in the service of their objectives. Activism in this mold played an important role in some of the social policies of the Progressive Era. However, the impact of Addams and her allies on the evolution toward social work professionalism was at most indirect (Elshtain, 2002; Trattner, 1999).

By the end of the 1920s, both Mary Richmond and Jane Addams had lost their sway over the profession. The effort that Richmond put into gaining professional status for social work proved insufficient, and her influence waned. Jane Addams's agitation against the war had made her unpopular. When Addams and Richmond ran for the presidency of the National Conference of Charities and Corrections, both lost (Specht & Courtney, 1994).

## **Social Regression, Disaster, and the Birth of the Welfare State During the Interwar Years**

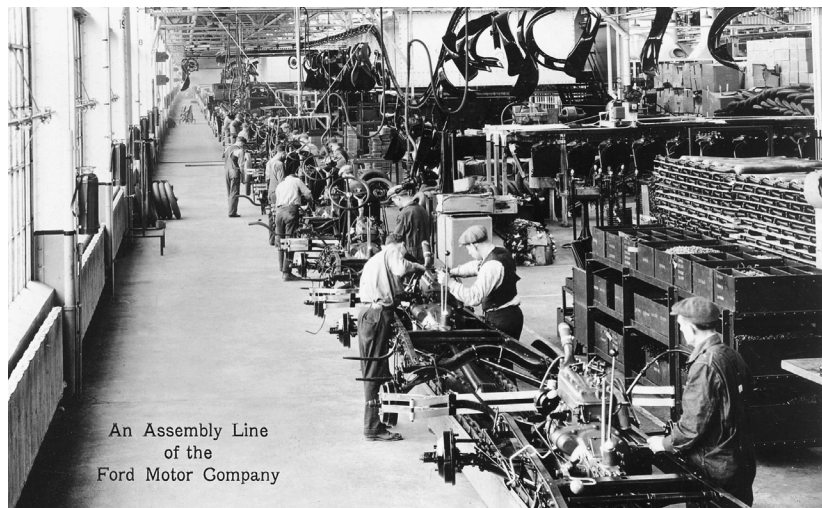
### **The Roaring Twenties**

American participation in “The Great War” stifled the reformist impulses of the Progressive Era. After the war, resurgent industrial growth, now directed toward a market avid for consumer goods, not only confirmed a long-standing faith in the economic system but also amplified belief in the trickle-down effect. Capital investment created jobs, facilitating further investment that would benefit the workers. This virtuous circle gave renewed impetus to policies favoring *laissez-faire*.



**Photo 5.1** Patriotism, World War I

*Source:* From the private collection of Peter McDonough.



**Photo 5.2** Mass Production in the Prosperous Twenties

*Source:* From the private collection of Peter McDonough.

A string of Republican presidents during the 1920s—Warren Harding, Calvin Coolidge, and Herbert Hoover—believed devoutly in this formula. At the same time that they backed a free market and nonintervention by the state in areas of welfare, they approved of wealthfare as a matter of national economic interest. As had happened during the previous century, the police and National Guard troops were deployed to harass union militants. Court injunctions and firings were regularly used against union activists and leaders. Companies manipulated their workforce by creating make-believe unions, submissive to their authority, and negotiating wages and benefits through them.

In the midst of their love affair with new technologies, Americans held fast to features of the old morality. In 1919, the Eighteenth Amendment was passed, nationalizing the prohibition of alcoholic spirits. The Immigration Act of 1924 not only limited the number of immigrants but also set quotas to favor inflows from Northern Europe over those from Southern and Eastern Europe. The preference accorded to Anglo-Nordic immigrants echoed the racial and ethnic arrogance that had appeared a century before in the doctrine of Manifest Destiny. Immigration from putatively inferior cultures would bring disorder and moral contagion. Immigration from Asia was halted, first by the Chinese Act in the late nineteenth century and, early in the twentieth century, by a complete prohibition of immigration from Japan.

## The Great Depression

The prosperity of the 1920s hid a continuously high rate of unemployment (reaching 13 percent) and a decade-long depression in agriculture. At least one-third of the population actually lived in poverty. The trickle-down theory that justified the primacy of capital for the sake of investment fostered instead accumulation in a few hands. Assets were often used for speculation rather than investment. Low wages, high unemployment, and agricultural depression drove down purchasing power. In practice, the trickle-down effect was not working. This short circuit became a major cause of the Great Depression that hit the nation with the crash of the stock market in October of 1929 (Edsforth, 2000).

Fifteen million people lost their jobs, and hundreds of thousands of farmers lost their land. Public response to the immensity of the disaster was slow and ineffective. Local officials had no institutionalized means of relief at their disposal. Still devoted to the rehabilitation of the poor, private agencies were not equipped to deliver appropriate services (Paradis, 1967).

Victims and non-victims alike, as well as social workers, volunteers, and local public officials, all knew that a coordinated response was urgently needed. However, President Hoover clung to his belief that the market would bounce back. In his judgment, government help to corporations would bring the downward spiral to a halt, and volunteer organizations like



**Photo 5.3** Okies on The Way to California

*Source:* From the private collection of Peter McDonough.



**Photo 5.4** Casual Workers on a Break

*Source:* From the private collection of Peter McDonough.

the Red Cross could best handle the clamor for social assistance. Unwavering in his convictions, Hoover dismissed the grim statistics and the demands for help pouring in from the states. Nonintervention by the federal

government in social assistance remained the bedrock of his creed. In the face of inaction, disorder spread. Prodded along by radicals and communists, so did disillusionment with the economic system (Sobel, 1975).

## The Birth of the Welfare State

Meanwhile, unable to get help from the federal government, the Democratic governor of New York, Franklin Roosevelt, asked state lawmakers to help local authorities meet the needs of the unemployed. The Temporary Emergency Relief Administration, an independent agency, was quickly set up with Harry Hopkins, a social worker, as executive director. Fearful of greater instability and aware of his record in New York, some powerful businessmen backed Roosevelt's presidential candidacy in 1931. FDR's promise to act quickly against economic deterioration also gained broad popular support. He won by a landslide.

The new president did in fact move rapidly to help out the victims of the Depression and strengthen the economy. By creating "temporary programs to deal with the crisis," Roosevelt circumvented the Supreme Court's resistance to a federal role in welfare. In fact, when Social Security legislation passed in 1935, FERA (the Federal Emergency Relief Administration) and CWA (the Civil Works Administration) were discontinued. Other agencies like the Civilian Conservation Corps (CCC) and the Public Works Administration (PWA) stayed alive as, respectively, the National Youth Administration and the Works Progress Administration.

The Roosevelt administration launched more such "alphabet soup" programs. The Federal Deposit Insurance Corporation (FDIC), the Securities and Exchange Commission (SEC), the Federal Home Administration (FHA), and the Regional Development Planning (RDP) all remain in existence. Their aim was to prevent the panic and losses dramatized by runs on the banks, to avoid stock market crashes, to avert evictions by facilitating home ownership, and to develop selected agricultural regions. Two other programs, the National Industrial Recovery Act and the Agricultural Adjustment Agency, gave the government enhanced regulatory powers over price setting and labor contracts. The Supreme Court declared them unconstitutional before the decade was over (Edsforth, 2000; Jansson, 2001).

The passage of all these programs in so short a time reflected the nation's sense of emergency. But the temporary assistance measures were not revolutionary, in spite of their number and the significant role of the federal involvement. Under Harry Hopkins, FERA gave grants-in-aid to states and localities, specifying that every 20 employees be supervised by a social worker. Means tests were required. Rules for eligibility and benefits were established locally or by the states. The various workfare programs covered about one-third of the unemployed, and wages were set below those in the private sector.

Because these temporary programs did not live up to the ambitious promises made by Roosevelt to reverse economic decline, the administration set up a Committee on Economic Security, headed by Hopkins and Frances



Perkins, Secretary of Labor who, like Hopkins, was a social worker. Their mandate was to develop a social security proposal. Many economists, including Wilbur Cohen, the future Secretary of the Department of Health, Education and Welfare, were members of the committee.

Initially, the plan was to build a structure of social insurance similar to the systems put in place in industrialized Europe during the late nineteenth and early twentieth centuries. But internal disagreements, political maneuvering, and professional priorities resulted in a much more limited two-tier proposal, passed in 1935 (Cates, 1983). Southern legislators wanted farm laborers excluded. Pressure from the American Medical Association took health insurance off the agenda. The fact that early threats of popular uprising had subsided gave these interests leverage (Piven & Cloward, 1971).

The design embedded in the 1935 Social Security Act showed the influence of two systems of protection: one modeled on private insurance and the other rooted in the poor laws. The social insurance law—the part of the Social Security Act dealing exclusively with insurance—reflected the private model, and it created two programs. Old-age insurance (OAI) was federally regulated and administered; unemployment insurance (UI) was federally regulated but run by the states (Gates, 1983, pp. 13–16).

The OAI called for worker contributions through a special tax. Funding for the UI came from employer contributions to the federal treasury, set as a percentage of the payroll. Ninety percent of that contribution was returned to the states to administer. Farm laborers, seasonal workers, immigrant workers, and domestic servants were excluded from these protections (Cates, 1983; Douglas, 1939).

The formula for OAI self-funding was not redistributive. It was, in fact, regressive, placing proportionally stiffer taxes on low-wage workers. As for the UI, employer costs could be passed on to consumers. Nonetheless, though coverage was not universal, enactment of these programs showed a commitment on the part of the government to face the socioeconomic sources of poverty driven by old age and structural unemployment. They were popular because they covered working people, and so paid homage to the work ethic. Since the program was self-funded by the participants, OAI benefits came to be seen as rights.

Public assistance reflected the second model, going back to the poor laws. It was geared to the deserving poor—those who were blind, or too young, or too old to be employed. So the government crafted such programs as Aid to Dependent Children, Old-Age Assistance, and Assistance to the Blind. Federal matching grants went to the states, and the programs were to be managed locally. The states set criteria for entitlement and the level of benefits. Since the funds came from federal and state general revenues, the program was viewed as charity. Means tests and proof of “good behavior” were the norm. Recipients were, in effect, dependents.

In 1936, the Wagner Act guaranteed unions the right to organize. It provided for a National Labor Relations Board (NLRB), an independent agency

charged with mediating conflicts between employers and employees. The Wagner Act generated an upsurge in union membership, but the NLRB's mediation efforts had only a modest impact. Strikes proved to be more effective than mediation in getting a hearing for workers.

In 1937, the Wagner-Steagall Act established the Housing Authority to provide low-interest loans to local authorities for public housing.

### Critical Commentary

The economic boom of the 1920s gave a boost to conservative ideologies and policies, just as happened during the final decade of the nineteenth century. The Progressive movement could not provide an equivalent counterweight. The 1920s, like the 1890s, ended in a depression.

Economic collapse eroded faith in capitalism, and the Hoover administration's failures threatened to deplete the political system's reservoir of legitimacy. Demonstrations of unemployed workers, veterans, and farmers multiplied. Socialists and communist sympathizers contributed to organizing this swelling of discontent. Their numbers were not large but their leadership in organizing protests was visible.

Some industrial and financial leaders saw all this as a precursor to revolutionary upheaval. Hoover's policy of appealing to private charities and offering subsidies to stimulate business was clearly not working. Nervous businessmen supported Roosevelt and many of his proposals as a way out of the rush toward cataclysm. This is the setting in which the New Deal's early legislative proposals were accepted (Piven & Cloward, 1971). By 1935, business panic had receded. The willingness to entertain seriously redistributive social security policies waned. This set the stage for the two-tier legislation that treated workers as first-class citizens but relegated non-workers, even if worthy, to the lower ranks. The path dependence built into institutional history and the "stickiness" of values was preserved.

Powerful interests, economic as well as political, had to be catered to in order to reach legislative outcomes. Despite this, the intellectual landscape of the early years of the New Deal covered a range of approaches to reform. Some were rooted in the Progressive movement, others in the management experiences of mobilizing for World War I. For a time, diverse ideas managed to coexist—a *mélange* encouraged by Roosevelt who, with a studied casualness, often asked his battling advisors to "meld it all together." While many shared an assumption that the big problems were bound up with the very structure of modern capitalism and that it was the government's mission to control the flaws of that structure, such as monopolies, few New Dealers were genuinely hostile to capitalism. Some called for policies that would redistribute wealth and income. Others favored centralized planning as a way to counter the power of corporations. Still others envisioned business consortia and associations as mechanisms to curb the destabilizing impact of



competition. Only a tiny group of radicals saw the Depression as the death knell of capitalism and called for a total overhaul of the economic system.

Pragmatism reigned, pushing towards the most viable and quickest solutions to the woes of the Depression. The government took on regulatory responsibilities and the task of stimulating weak spots in the economy. With the New Deal, an American welfare state was born, and protective legislation for labor was enacted (Brinkley, 1995).

Without a doubt, the government at last reached a modicum of centralization, and the unions finally could operate without fear of repression. However, in contrast to other Western countries, these two developments were limited and late. Welfare was more restrictive than in other industrial nations. Some of the programs—notably, public assistance—were run by the states and they adhered to traditional principles, inherited from the poor laws, regarding deservedness, investigation, eligibility, and control. Means testing and normative checking of behavior were standard features.

In the end, the Social Security Act established a mixed public/private arrangement rather than a public welfare state. Social insurance benefits are not tied to citizenship, nor are they fully administered by the central government. They are tied to jobs, administered by employers, and supported by public policies. The unions function as active participants in an intricate web of private and public benefits. Unions negotiate contracts with employers that cover not only wages but also pensions and other benefits. This arrangement accounts for roughly a third of social benefits in the United States. The state actively promulgates rules, writes regulations, and offers incentives to organize the private sector safety net. The public pieces of the welfare settlement fill the gaps that private partners cannot or do not fill (Gottschalk, 2000).

As it happened, it was corporate pension plans that flourished in the immediate aftermath of Social Security legislation. Employers lobbied to expand tax breaks for private pensions, and they recast their plans as supplementary benefits for higher-income workers (Hacker, 2002).

Behind the scenes, business groups, insurers, pension consultants, and conservatives in Congress worked to codify laws that allowed publicly subsidized private plans to be generously integrated with Social Security. In practice, such plans provided little or no benefit to the workers whom New Deal reformers had sought to help. After the passage of old-age insurance, private pension plans began to grow. Employers tailored these plans to white collar workers. A feature of the tax code that allowed corporate contributions to pensions and interest income on trusts to escape taxation encouraged the bias toward privatization (Hacker, 2002).

The dependence of the government on the private sector also reflected the chronically underdeveloped condition of public bureaucracy, and this legacy ultimately held back the reach of the New Deal. The Lockean defense of small government, part and parcel of American political culture, restricted the growth of “big government.”

At the same time, organizational modernization led to greater efficiency in business. So, when President Wilson had to deal with the unprecedented administrative demands of World War I, he turned to private organizations to oversee contracting out. The War Industries Board was a brief experiment in quasi-centralized mobilization and national planning that was disbanded soon after the armistice was signed.

The Roosevelt administration followed a similar route to implement New Deal programs. The National Industrial Recovery Act essentially delegated public policy to industry. One of the consequences of this public–private interdependence was to perpetuate the administrative weakness of the government and its dependence on business (Eisner, 2000).

To a large extent, social movements impelled successful policies. Powerful agrarian organizations had a strong voice in formulating agricultural policy. Labor's rank-and-file made itself heard in the Wagner Act. Social workers and women's organizations lobbied skillfully for welfare state policies (Brinkley, 1995). The policies of the New Deal strengthened the identification of the Democratic Party with labor, at the same time that this alliance narrowed any opening for the emergence of a militant labor party.

## Social Work in the Twenties and Thirties

After World War I, most social workers opted for psychiatric social work, and courses in psychiatry dominated the curricula of the pioneer schools. Most of these schools were tied to private agencies. During the 1920s, three journals—*Social Work Casework*, *Child Welfare*, and *Social Services Review*—issued their first numbers. Several professional organizations, including the American Association of Social Workers and the American Association of Psychiatric Social Worker, were founded at the time. The National Conference of Charities and Corrections became the National Conference of Social Work (Trattner, 1999).

The creation of the School of Psychiatric Social Work at Smith College was part of this trend. As the school's cofounder Mary Jarrett (1919) stated in "The Psychiatric Thread Running Through All Social Case Work," the study of mental health is fundamental to casework, since the adaptation of the individual to his or her environment depends on the mental makeup of that person.

By 1925, psychotherapy had become the go-to method in social casework, and the social environment component of casework lost ground. The mental hygiene movement was influential in moving social workers in this direction, but other factors played a role as well. Since 1915, when Flexner, the expert on medical evaluation, had denied social work professional status and consigned social workers to the standing of an auxiliary occupation, on the margins of professionalism, social workers and their leaders searched eagerly for a theory and method of intervention that would make them undeniably professional and autonomous.

Psychotherapy offered a conceptual and scientific-sounding method of intervention. It propagated a systematic view of the relation between conscious and unconscious processes that were supposed to affect human behavior, and it had developed a canonical list of procedures for diagnosis and intervention. It also allowed social workers—until then working under the supervision of psychiatrists—to operate independently, since the exercise of psychiatry did not require a medical degree. The turn to psychotherapy paid off. Social work appeared as a distinct occupation in the 1930 census.

Focused on rehabilitation of the personality, this type of social work was not far from the methods used by the “friendly visitors” of the nineteenth century. Like them, psychotherapists held the view that individual treatment was the key to curing poverty. The friendly visitors were on a mission to improve the character of the poor. Basing their interventions on a “technical assessment” of psychological problems, social workers in the twenties concentrated on the emotional deprivation and maladjustment of the poor.

The chicken-in-every-pot optimism of the 1920s did not encourage much attention to social reform. Private social agencies proliferated, specializing in health, child guidance, family services, and the like. But to say that the new profession was unenthusiastic about social reform, and leave it at that, overlooks signs of social work radicalism that, although weak, was not dead.

The anti-war stance of many Progressive activists was unpopular, and this blocked alliances that might have been used to promote reform. The military reacted directly. In 1922, a widely distributed pamphlet originating from the War Department’s Chemical Warfare Service traced the interconnections among 15 pro-peace women’s organizations. The presumed evildoers were part of a “Spider Web Conspiracy.” The pamphlet not only questioned the women’s patriotism but also accused them of being communists and dupes, out to destroy American institutions (Reisch & Andrews, 2001).

The climate of repression and reprisals discouraged a new generation of activists from pressing for Progressive-style reforms. Julia Lathrop, the director of the Child Bureau and once a resident at Hull House, wanted to implement legislation that created clinics for mothers and their children across the nation. The act was passed in 1921. However, in spite of reliable research demonstrating critical need, the legislation was subsequently withdrawn on the grounds that it was a socialist measure.

Though severely repressed, the radical spirit of social work activists was passed on through their associations and allied social movements, and it was ready to respond to the challenges of the 1930s. Contrary to their colleagues, who were increasingly devoted to psychotherapy, radical social workers were already alarmed by trends in unemployment during the second half of the 1920s. In 1931, Edith Abbott reminded educators that knowledge of the structure and functioning of society was as indispensable to social workers as physiology was for physicians. Anthropology, sociology, and economics, as well as administration, should be part of social work training. In her

presidential address to the National Conference of Social Work, Grace Coyle spoke in the same spirit of the role of poverty in an array of problems: physical and mental illness, unemployment, inadequate shelter, family insecurity, and hunger. All of these were related and they undermined the development of children (Trattner, 1999).

Professional social work organizations rejected or remained indifferent to social activists. The most important factor superseding the commitment of the profession to personality adjustment seems to have been the demand for social workers in the implementation of New Deal programs.

The prominence of social workers at the policy level within the Roosevelt administration was remarkable. Harry Hopkins orchestrated all the early emergency programs, and he was in on the founding of Social Security. Frances Perkins was Roosevelt's labor secretary. "Molly" Dewson headed the Women's Division of the Democratic National Committee. Audrey Williams was the director of the National Youth Association. Katharina Lenroot and Martha Elliot were members of the Children's Bureau. Jane Hoey worked in the Social Security Administration, and Ellen Woodward worked in the FERA and WPA (Trattner, 1999). The profession had become part of the machinery of state.

For the most part, the American Association of Social Work and the National Conference of Social Work endorsed the goals and proposals of the New Deal. Some were critical of its programmatic timidity. Mary Van Kleeck, who had been director of the Department of Industrial Studies at the Russell Sage Foundation, was appointed to the Federal Advisory Council of the U.S. Employment Service within the National Recovery Administration. Van Kleeck left the position in 1933 when Roosevelt eliminated some of its provisions, and she became a critic of his policies (Brenden, 1993). In 1934, in a speech to the National Council of Social Work Education, she declared that without change in the political structure, poverty would not be prevented, nor would living standards improve. She argued in defense of a social-democratic solution.

Van Kleeck's speech resonated among the "Rank and File," a grassroots movement of social workers tied to labor. Its members met in discussion and consciousness-raising clubs, grappling with the distance between social workers and clients and the contradictions between capitalism and their daily experiences (Fisher, 1990). In 1935, the Rank and File had 15,000 members, two times more than the American Association of Social Workers (AASW) (Fisher, 1990). These social workers fought for a more generous, inclusive social insurance and a fully developed welfare state.

AASW followers believed that unionization violated their professional ethic. But the Rank and File movement supported and was active in the Association of Federation Workers (AFW), which in 1936 became affiliated with the CIO as the Social Service Employees Union (Reisch & Andrews, 2001). After 1936, with fascism looming in Europe, they joined mainstream social workers in supporting Roosevelt and his policies (Klehr, 1984).

While social workers with a socialist bent kept alive an awareness of the limitations of the welfare state as realized under the New Deal, their primary impact was to enlarge the focus of the profession, especially in training. Public welfare was included as an area of practice. The goals of clients, the renewal of group and community methods of intervention, and the integration of social environment in all practices came in for greater attention (Figueira-McDonough, 2001).