

Public Policy's Role in Our Current Economic Inequity Crisis (by Bill Woods for Street Vibes)

Where do things stand in terms of justice and equity in public policy in this country? This is a critical question to ask at this moment in time. The growing lack of equity and justice in our society that evolved in recent decades is a major cause of the current unhealthy condition of our representative democracy.

Recent factors such as the Presidency of Donald Trump, the transformation of the Republican Party by an extreme Trump-base, and the misinformation and polarization spawned by social media all have come into play. Their emergence, however, was nurtured by the disillusionment of a large chunk of our population in our system of government. Our representative democracy no longer seemed to represent them in terms of legislation that improved their lives.

Economic inequities and injustices have always existed in some forms in this country. Public policies have lessened them, but legislation and government regulations have also caused just the opposite to happen. How did we reach the current situation where so many families and individuals lack adequate economic resources, and what was the role of government in creating these inequities?

From the standpoint of the federal government, you can trace a negative impact in terms of programs and services that assisted those in need to the Reagan Administration from 1981 to 1989. Prior Administrations and Congresses from the New Deal to 1980 tried to play positive roles in addressing major economic inequities that existed. Social Security, Medicare, Public Housing, Food Stamps, Model Cities and other legislation included in the War on Poverty agenda are a few of the policies adopted over those years that are often referred to as "the Safety Net."

Ronald Reagan arrived at the White House advocating a conservative ideology that not only promoted lower government spending but favored slashing or eliminating most of the Safety Net programs. His slogan was: "Government is not the answer. Government is the problem." Although a less ideological Congress prevented his Administration from totally dismantling the Safety Net, the large cuts to programs did it considerable damage.

A review of funding for affordable housing programs provides a good example of the Reagan impact. From 1981 to 1989, federal funding for these programs shrank from \$30 billion to \$8 billion. During this same period homelessness emerged as a major crisis in cities across the country. A new factor for this growth was the number of families with children that became homeless, and the initial Greater Cincinnati homeless study in 1987 cited the lack of affordable housing as the number one reason for this group's homelessness. When AIR, Inc. did its second homeless study in 1993, it found that less than 30-percent of Cincinnati households that qualified for federal housing assistance received it.

In the thirty-two years since the Reagan assault on the federal Safety Net, there have been minor increases to some existing programs, and several additional initiatives including Obama Care during the Obama and Biden Administrations. One further major loss, the elimination of Aid to Families with Dependent Children, took place in 1996, and a large tax cut for the wealthy

occurred under Trump. Meanwhile, citizen groups across the country have, without much success, continued to advocate for the federal government to adequately fund affordable housing assistance initiatives and other Safety Net programs. They also lobbied for city governments to do more to make up for the federal loss.

Besides the ideological shift in the Republican Party to oppose federal and state funding for services for those in need, what are other factors that caused this major growth of economic inequity? Unfortunately, the Reagan assault on the Safety Net came in the midst of major economic change in this country. Once one of the industrial hubs of the world, the US. began losing most of its high paying factory jobs during this time frame, and steel centers such as Youngstown, Ohio were becoming places of economic hardship.

Another factor causing the lack of government response in addressing major economic inequities is the ever-expanding role of "big money" in U.S. politics at all levels. If elected officials are obsessed with pleasing Fat Cat donors and dialing for dollars, they begin to forget that they also represent average people and constituents in need. Although it is harder to make a quid pro quo connection, this author began to be suspicious of the "big money" factor as Congress, State Legislatures, and City Councils continually voted inadequate or no dollars to programs aimed at assisting individuals and families struggling to make ends meet. I joined forces with Common Cause and other reform organizations in the 1990s that were trying to pass restrictions on campaign donations and the influence of "big money."

Some of the reforms such as contribution limits and public financing helped a bit in the states and cities where they were enacted. Unfortunately, the U.S. Supreme Court has made it more and more difficult to pass effective campaign reform laws. First, in *Buckley v. Valeo*, it equated campaign contributions with free speech. Then in the *Citizens United* decision in 2010, it said that corporations were people with the same freedom of speech rights allowing them to make campaign donations. Thus, the impact of "big money" on political campaigns and public policy has actually increased in recent years.

This article primarily focuses on how public policy was a major factor in bringing about the extreme economic inequity that exists today. It leads to the question: Where do we go from here? How do we change public policy at all levels to reduce this inequity?

Obviously, we must confront the immediate forces that are presently endangering our democratic system of government. Beyond that, however, there are some long-term problems such as the warping effect of "big money" on politics and government that must be reformed if public policy is to again serve "we the people." The historian Arnold Toynbee wrote that countries and civilizations rise and fall due to their abilities to adequately address the major issues confronting them. Put in those terms, the U.S. is not doing too well at this moment. It is going to take major citizen organizing at the local, state, and national levels to change the direction of current public policy, and none of us can afford to sit this one out!