Introduction

In the Shadow of T. H. Marshall – Social Capital, Social Rights, and Sources of Vulnerability among Low-Income and Disadvantaged Groups

HURRICANE KATRINA AND THE SOCIAL CONSTRUCTION OF DISASTER

After living through one of the largest storms of the century, on the morning of August 29, 2005, the residents of New Orleans, Louisiana, appeared to be safe. Within hours, though, the seriousness of the situation became clear as the storm surge breached the levee system that protected the city and submerged large areas, including many low-lying and low-income neighborhoods. More than a million individuals were forced from their homes, many never to return. Many lost family members, and many more lost their homes, their possessions, and all ties to their old neighborhoods and communities. The human tragedy that unfolded in the media riveted the nation's attention. In response to the massive suffering, communities in Texas and elsewhere responded generously. By September 4, more than 250,000 hurricane victims had evacuated to Texas (Embry, 2005). Houston provided shelter and emergency services to approximately 150,000 evacuees (Berger, 2006). Other large cities, including San Antonio, Dallas, and Fort Worth, hosted additional thousands. During the weekend of September 2, the Austin Convention Center opened its doors to between five thousand and seven thousand evacuees, and many others were sheltered elsewhere in the city (Humphrey & Fitzsimmons, 2005; Wynn, 2006). Many of these survivors of the storm began a long diaspora during which they attempted to rebuild their lives in the new city. In this book, we tell the story of those victims of the storm who remained in Austin for long periods and their attempts to return to normal and build new lives in a new and strange city.

1

As their stories reveal, the challenges they faced were daunting. Most of those who did not return had lived in low-income communities in New Orleans, and many had not owned their homes. Between 2005 and 2007, half of the population of New Orleans consisted of renters (U.S. Census Bureau, 2005–7). For renters and owners alike, though, the storm destroyed the very basis of their daily security. Disasters exacerbate problems of housing affordability because they reduce the inhabitable housing stock (Comerio, 1998). Estimates suggest that more than 140,000 housing units were damaged or destroyed in New Orleans, including more than 73 percent of all low-rent units (National Low-Income Housing Coalition, 2005). Before the storm, approximately 5 percent of the population of New Orleans, or nearly twenty thousand individuals, lived in more than five thousand public housing units (Katz, 2008). Nearly two thousand additional public housing units lay vacant. Two years after the storm, only twelve hundred units had been reopened and occupied (Katz, 2008; Rose, Clark, & Duval-Diop, 2008).

As the story we tell in this book shows, although nature's fury may be largely random, the vulnerability of the most seriously affected victims of disasters is not. Rather, that vulnerability reflects historically based structural disadvantages that give individuals few choices but to live and work in the disaster-prone areas that the more affluent can escape. As we will also see, that vulnerability is closely tied to race as well as social class. In the following chapters, we reveal the race-based sources of that vulnerability and recount the stories of the victims of Hurricane Katrina who did not immediately return to New Orleans and describe the difficulties of their efforts to rebuild their lives in a new city. We also examine the roles of the major governmental actors, including the Federal Emergency Management Administration (FEMA) and nongovernmental actors, in responding to crises. Although many critics of big government look to local nongovernmental organizations as an alternative form of service delivery and social organization, our study reveals the central role of effective government in facilitating disaster recovery and empowering local nongovernmental organizations to function effectively. As we show, rather than being representative of big government, FEMA's clear failure resulted from years of political tinkering and underfunding. In the end, FEMA was inadequate to the task, and local government and nongovernmental organizations were in no position to compensate for its inadequacies.

THE 2008 ECONOMIC TSUNAMI

In December 2007, the citizens of the world, much like the residents of New Orleans early in the summer of 2005 who were unaware that Katrina would dramatically change their lives in just a few weeks, were happily unaware of the serious economic collapse that the subprime mortgage crisis in the United States, in addition to unsustainable levels of consumer debt, would soon unleash on the planet. Within a year, Iceland would be bankrupt, Spain's decade-long economic boom would be over, unemployment rates would soar everywhere, and the nations of the world would learn a hard lesson on just how interdependent their economies had become. A bubble had clearly burst, and the economic miracle of previous decades came to an abrupt and painful end. During the miracle years, China experienced almost unbelievable economic growth as long as Americans bought the products it produced. In the new economic environment, Americans, who had become used to spending far beyond their means, stopped buying and a world economy based on the assumption of endless growth ground to a halt. The speed of the downturn was breathtaking. As manufacturing giants such as General Motors and Chrysler, which had seemed too big to fail, neared bankruptcy, and as the major financial institutions of the United States and Europe, which had seemed invulnerable just a year before, neared insolvency, the neoliberal economic experiment of the 1980s and 1990s reached a point of crisis that left the world peering into a frightening and unpredictable future. As the developed nations implemented economic stimulus packages to increase aggregate demand, one might well have imagined that the ghost of John Maynard Keynes was stalking the planet. At the very least, the crisis made it clear that the state is a necessary participant in the market in modern economies.

The crisis also gave greater urgency to the ongoing debate concerning the nature and extent of the welfare state, which since the 1970s had been dominated by a minimalist social welfare ideology. The election of Margaret Thatcher in Britain in 1979 and Ronald Reagan in the United States in 1980 marked the beginning of an assault on the post–World War II social agenda that focused on ensuring the material welfare of citizens. Thatcher and Reagan became the standard-bearers for a new philosophy of less government intervention in the market and in all areas of social life. According to the new supply-side economics that had come into fashion, lower marginal tax rates, free markets, and entrepreneurship would

result in economic growth that would eliminate the need for an extensive welfare state. The force of the Thatcher philosophy gained such momentum that in 2002 Labour MP Peter Mandelson proclaimed that in terms of economics, "we are all Thatcherites now" (Charter, 2002).

Of course, we were not all Thatcherites then, nor are we now, but the new economic and political realities of the day required some rethinking by defenders of the traditional welfare state. In a globalized world with highly interdependent economies and instantaneous communication, the Keynesian macroeconomic controls of the post–World War II years had clearly become less effective (Giddens, 1994; Pierson, 2001a; 2001b). Governments were increasingly unable to maintain full employment and provide the full range of social benefits while maintaining high rates of economic growth. The result was somewhere between compromise and a genuine transformation that redefined the traditional Democratic philosophy in the United States and that of Labour in Britain. In the United States, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, more commonly known as welfare reform, was signed into law by Democratic president Bill Clinton, and in Britain a new "Third Way" was introduced by Labour Prime Minister Tony Blair and elaborated by sociologist Anthony Giddens (Giddens, 1998, 2000).

The previous use of the term "Third Way" referred to Sweden's social democratic model, which represented a reformist compromise that combined aspects of capitalism and socialism. The term took on a new life as a political response to the neoliberal right, which many liberals saw as representing a genuinely new way of viewing citizenship rights and responsibilities (Giddens, 1994). Many critics of the traditional welfare state, including those on the left, faulted the old policies for creating dependency. In the United States, which had a far more limited welfare state than Britain to start with, the "New Democrats" represented the trans-Atlantic variant of the new approach (Faux, 1999; Hale, Leggett, & Martell, 2004). The more recent debt crises in Greece, Spain, Portugal, and other European nations, as well as the mounting federal, state, and municipal government debt in the United States, have made the need for greater controls on public spending clear.

The core principle of the new approach, which was adopted with variations in other nations, can be summarized in the proposition of "no rights without responsibilities." This phrase, which is frequently cited by both supporters and critics, affirms the belief that social benefits should be contingent on responsible prosocial behavior (Hale et al., 2004; Havemann, 2001). Rather than individuals and families being entitled

to cash assistance, health care, housing, and the rest of the benefits of the welfare state solely on the basis of need, the new philosophy tied an individual's and family's receipt of benefits to work. "Self-sufficiency" became the new catchphrase. Welfare reform in both the United States and Britain introduced policies based on the new expectation that rights to social welfare benefits do not exist except in conjunction with responsibilities, primarily the willingness to take whatever job is available (Barrientos & Powell, 2004).

The new philosophy was sold to the developing world as a guaranteed method of fostering development. In Latin America, neoliberal economic policies imposed by the United States and major international lenders such as the World Bank and the Inter-American Development Bank placed the market at the center of a new social contract (Bebbington, Woolcock, Guggenheim, & Olson, 2006; Hammer & Pritchett, 2006). Free markets, deregulation, privatization, and reductions in social expenditures formed core components of the new approach that was adopted to varying degrees in all Latin American countries. As with the new Third Way in Britain and welfare reform in the United States, the philosophy replaced notions of entitlement and public good with the principle of individual responsibility. In nations with low levels of education, massive inequality, few job opportunities, and minimal social supports, cuts in public programs only increased the misery of low-income citizens and, as in Europe, the neoliberal experiment was soundly criticized and resulted in oppositional movements and a new debate over the rights of citizenship and the meaning of good governance (Delgado & Nosetto, 2006; Peruzzotti & Smulovits, 2002; Vanden, 2004).

The impact of neoliberal reforms in Latin America and other parts of the developing world made the tragedy of the unqualified notion of responsibility over rights obvious. The region's notoriously high rates of inequality persisted even as the free market generated great wealth, and access to such basic needs as health care for low-income citizens did not improve (Armada, Muntaner, & Navarro, 2001; Hoffman & Centeno, 2003; Homedes & Ugalde, 2005). In most of Latin America, new, more social democratic governments are replacing governments that embraced a narrow neoliberal agenda, and a new post-neoliberal philosophy with a focus on social welfare is drawing increasing attention (Riggirozzi, 2010; Sader, 2009).

In the absence of even minimal opportunities to behave responsibly in terms of finding gainful employment, destitute individuals have little opportunity to do so. The desperate attempt by impoverished street people

in developing nations to eke out a living however they can unmasks the inhumanity of inflexible neoliberal policies. Even in the developed world, though, the call for responsibility in terms of economic self-sufficiency presumes an adequate set of opportunities and sufficient human capital. For many, and especially for minority group members, human capital and opportunities are limited. The retreat from the old left's focus on redistribution and greater economic equality places the most vulnerable members of society at a major disadvantage. Even if the top-heavy Keynesian welfare state proved to be inefficient, the moral imperative to ensure the material basics of a dignified and productive life remains.

The New Democratic and Third Way approaches can be seen as pragmatic compromises that were necessary to respond to the politically powerful neoliberal movement that preceded them and that still exerts great economic and political power. Conservative critics of the welfare state do not believe that individuals have broad social rights. Many political theorists reject in principle the proposition that material security is a right (Etzioni, 1993, 1995, 2000; Mead, 1986, 1997; Murray, 1994, 1996, 1999, 2006). Communitarians, libertarians, and others on the right reject social policy based on the concept of social rights not only on moral grounds, but because of the belief that such policy creates welfare dependency and contributes to the growth of an underclass. These critics hold that basic political rights, consisting primarily of protections from interference by others or the state in carrying out one's wishes, are the only basic rights. Material welfare is in effect a commodity that one can purchase on the open market to the extent that one is able, but which one has no right to at public expense. Critics on the left object to the concept of social rights for very different reasons; they see the focus on a minimal level of material well-being as an incomplete or partial solution to the problems of the working class that require more radical solutions (see Dwyer, 2004, for a useful overview).

In the following chapters, we examine aspects of the modern welfare state and relate the concept of "social rights" that it embodies to the reality of powerlessness among low-income and minority Americans. We focus on a particular event, a natural disaster, to expose the social sources of the vulnerability of specific groups – in this case, minority individuals and impoverished communities. A natural disaster such as Hurricane Katrina exposes long-standing historical and structural vulnerabilities that affect specific groups and that can remain invisible in normal times. As we will show, the vulnerabilities of those who suffered the most serious losses as the result of the storm were the result of long-standing,

racially-based social policies that made it difficult for individuals and families to evacuate and that undermined their capacity to recover. A disaster of the magnitude of Hurricane Katrina clearly illustrates the limitations of the devolution of federal governmental responsibilities to local governmental and nongovernmental agencies. Our data illustrate the inability of local agencies and organizations to deal with large-scale human need. In the end, the disaster clearly revealed the vital role of an effective central government in responding to crises and in creating an environment in which local governmental agencies and nongovernmental organizations can operate effectively.

THE WELFARE STATE AND CITIZENSHIP

The welfare state represents one of the major social and political developments of the twentieth century. To varying degrees depending on their unique histories and political cultures, all developed nations today embody basic welfare state principles that ensure education and health care, protect against unemployment and disability, and provide old-age pensions and often much more, to their citizens (Baldwin, 1990; Esping-Andersen, 1990; Esping-Andersen et al., 2002). In times of crisis, citizens have come to expect that the state will respond immediately and effectively to alleviate human suffering and return things to normal. The modern welfare state evolved as part of the capitalist system and serves to humanize what in its absence would be potentially inhumane and politically destabilizing market outcomes (Baldwin, 1990; Esping-Andersen, 1999). Despite their near-universality, though, welfare state principles have always been contested. Many traditional liberals, as well as contemporary conservative critics, see fundamental conflicts among core principles related to political and economic freedoms, individual responsibility, and a paternalistic state (Barry, 1999; Hayek, 1976; Mead, 1986; Murray, 1994; Nozick, 1974). In addition, welfare states today face serious revenue and debt crises that will inevitably require significant reductions in state support and in many countries result in profound changes in the post–World War II social contract (Giddens, 1998; Padgett, 2008; Pierson, 2001a; 2001b; Somers & Block, 2005).

The highly developed role of the state in ensuring the material welfare of citizens since the nineteenth century reflects the emergence of the expectation that citizens are entitled to more than just basic civil and political rights. Social rights include the right to the basic material and social requirements of a productive and dignified life, including education,

health care, housing, retirement security, and more. The concept of social rights is fairly new in historical terms, confined largely to the latter part of the twentieth century. The term is often attributed to T. H. Marshall, who characterized the evolution of social rights in England in terms of three approximate historic periods in which civil and legal rights were extended to larger segments of the population during the eighteenth century, political rights during the nineteenth century, and the social rights during the twentieth century (Marshall & Bottomore, 1950).

Marshall's account of the evolution of social rights is clearly an idealization and has been criticized for its focus on England and for the fact that it ignores the situation of women and other excluded groups (Holmwood, 2000). Social rights are far from universal, and individuals in many parts of the world still lack even the most basic civil and political rights. Yet in developed nations the belief that the state should provide a minimal level of security against material want is generally accepted. The ongoing debate centers on what that minimal level of security consists of, who is eligible to receive it, and what responsibilities those who accept publicly funded support bear. There is almost universal consensus that the victims of disasters have the right to at least short-term emergency assistance, but there is far less agreement on what right to public support longer-term impoverished groups have.

We examine these issues in the context of the states' and civil society's response to a natural disaster and the human crisis that it provoked. Hurricane Katrina, which struck the Gulf Coast on August 29, 2005, represented the most serious humanitarian crisis of recent memory in the United States and revealed the basic structural sources of the vulnerability of the victimized population. That vulnerability was not the result of individual or group failings or even exceptionally bad luck; rather, it was the result of deliberate and racially tinged policies that limited the economic and social resources of local communities, increased their exposure to harm, and undermined the capacity of federal and state governments to carry out their basic responsibilities (Burby, 2006; Duncan, 2001; Elliott & Pais, 2006; Greenbaum, 2008; Henkel, Dovidio, & Gaertner, 2006; Landphair, 2007; Langsdorf, 2000; Lavelle & Feagin, 2006; Lopez & Stack, 2001). These same forces that placed the victims of Hurricane Katrina in jeopardy operate daily to undermine the capacities of people experiencing chronic poverty to get ahead.

Our examination of the roles of government and nongovernmental actors in the response to Hurricane Katrina is based on a study of survivors who were evacuated or voluntarily relocated to Austin, Texas,

where they remained for varying periods. In time, some returned to New Orleans, but for others, the move was long-term or permanent, and in the public eye their identities transformed rather quickly from that of deserving victims of a disaster beyond their control to that of long-term disadvantaged groups who represent a burden and even a threat (Berger, 2006). This transformation was a replay of long-standing historical and political processes that have shifted explanations of poverty from structural and economic factors to individual failure (Marshall & Rossmann, 2011; Somers, 2008; Somers & Block, 2005). Although our analysis focuses on a select group of survivors and their unique circumstances, the issues that we deal with are general and relate to debates concerning the sources of the vulnerability of specific groups, usually racial and ethnic minorities, and the role of the state and civil society in mitigating that vulnerability.

The hurricane was clearly an act of God, but the suffering that followed it was very much a function of governmental and political decisions made long before the storm struck. The vulnerability of the victims was greatly increased by the anti–welfare state sentiment of recent years that cast suspicion on big government and the paternalistic state and romanticized the capacity of local governments and nongovernmental actors to address nearly all human needs. Ultimately our conclusion is that civil society actors, including faith-based organizations, nongovernmental organizations, and other local-level entities, can only complement state efforts in dealing both with emergencies and longer-term social problems. Despite claims that the welfare state can be greatly reduced in scope, the aftermath of Hurricane Katrina showed that a strong and efficient state remains central to our collective welfare and well-being.

Although we deal with very practical issues related to poverty, race, and social service delivery in a crisis, our discussion addresses core theoretical issues related to the structural sources of individual and group agency, resources, and power. The concepts of *social capital* and *civil society* are central to our discussion, and we develop and criticize both concepts further in the course of our presentation. Social capital is a concept that has gained wide usage in multiple domains in recent years (Bebbington et al., 2006; Duncan, 2001; Hero, 2003; Putnam, 1993, 1995, 2000; Saegert, Thompson, & Warren, 2001; Stanton-Salazar, 1997; Temkin & Rohe, 1998). Its appeal results from its potential focus on non-market aspects of group power and influence. Yet the term and the concept have many detractors who see social capital as at best an empty label and at worst a mask for predatory neoliberal market forces

(Portes & Landolt, 2000; Somers, 2008). Part of the problem of defining and operationalizing the concept of social capital has to do with the lack of clarity associated with the individual or collective nature of the benefits that the concept conveys. As we discuss, although social capital by definition emerges from networks, its benefits are often individual. How social capital is related to group advancement in a nontautological way is often not clear.

Given its wide use, we must confront the concept of social capital and point out its strengths as well as limitations in dealing with poverty generally and with the survivors of Hurricane Katrina in particular. Although social capital can refer to individuals' social embeddedness, we are more interested in its collective nature. At the level of neighborhoods and communities, high levels of social capital are indicated by complex networks of informal and formal organizations and high levels of positive interaction and trust. Low levels of social capital are reflected in a lack of such networks and organizations; low levels of trust; and the physical decay, social disorganization, and crime that a lack of citizen involvement brings about. As we will illustrate in later chapters, the members of communities with low levels of social capital tend to have low levels of human capital, as measured in terms of education and job-related skills. Whether what we think of as social capital is really a proxy for collective human capital remains a question for discussion. One of our core questions relates to the extent to which the concept of social capital is useful in understanding the economic and political vulnerability of certain groups and whether nongovernmental civil society actors might mobilize to increase the social and material capital of those who lack such capital.

For purposes of this study, civil society refers to the wide range of organizations that are neither governmental nor purely market-oriented. These include well-known responders to crises, such as the Red Cross and other emergency-focused nongovernmental organizations (NGOs), as well as many others that are less well-known. From our perspective, the potential usefulness of the concept of social capital relates to aspects of group membership that can be used for political and economic gain. The common saying, "It's not what you know, but who you know," captures the notion that social networks and contacts can be useful in very practical ways. For Robert Putnam, group and associational activity is the key to the formation of trust and civic commitment. In addition to fostering greater community involvement, it leads to better governance and ultimately to increased prosperity (Putnam, 2000; Souza, 2001). Even Putnam, though, realizes that not all groups increase their participants'