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IMPLICATIONS OF INCOME SHIFTS & GLOBALIZATION FOR PROGRAM EVALUATION IN THE UNITED STATES

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H. Gil Peach, Ph.D.

This monograph draws on two previous conference papers. The basic theme was presented in a session of the Affordable Comfort Conference in Madison, Wisconsin, May 1998. A more theoretical development was presented in Session 227, "Global Thinking in Evaluation," at the 1998 Annual Meeting of the American Evaluation Association, "Transforming Society through Evaluation," Chicago, Illinois, November 4-7, 1998. The monograph is revised, with corrections, from a preliminary November 1998 edition.

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I. INTRODUCTION

Concerns regarding the consequences of income shifts and “globalization” developed from experience in ten years of “low-income program” evaluations in different US cities, beginning in 1988 and continuing through the present (1998). “Low-income,” “payment-troubled customer,” and conservation programs are sponsored by gas, electric, or water utilities and/or by state energy departments or utility commissions. The programs are all associated with both poverty and conservation – inability to pay, and the need to “do more with less.”

Although there is some variation, these programs are well designed, and the participants, utilities, and state authorities want them to work. Many of the programs are successful in terms of their stated goals and objectives. Yet poverty remains a strong and tangible force: many families barely get by with the help of such programs, and many simply lack the income to succeed, even when programs are well designed. The force of poverty is increasing once more, driven by globalization. This monograph attempts to clarify a set of hypotheses about globalization, social programs, and social program evaluation in the United States.

The force of poverty is increasing once more, driven by globalization.

Globalization is the emergence of a new economic order, which may be characterized as “the age of the planetary business system.” It contrasts to the national and colonial business systems of immediate prior history.¹ Globalization has positive as well as negative consequences.² The emphasis here is on the negative economic and social effects of

¹ Also, it is not associated with “imperialism” since the role of national states under globalization is to open markets; national states do not currently have a “destiny” in this new system.

² For a city, new jobs may be created as global industries shift production to new plants to facilitate market access (e.g., the return of shipbuilding to Philadelphia). However, globalization also leads to merger, plant relocation, and downsizing. This results in loss of many existing jobs and of essential elements of local infrastructure (e.g. the loss of Core States bank to the Philadelphia region through merger with First Union). Globalization leads to lower prices for goods and services, and access to more goods from distant places due to the opening of markets. However, in the medium term, it also leads to chronic global

globalization within the United States. In particular, increasing socioeconomic strains affect perhaps 80% to 90% of population, with increasing force at the lower sections of the income distribution.³ In addition to strains throughout social life it appears that a qualitative change is occurring -- the creation of an "underclass." Thus, the United States is becoming an "outlier" state less and less similar to the social democracies of Europe; and more like a "third world" country.

Globalization is the emergence of a new economic order....

Effects of the income distribution and of declining real income are based on analysis, interviews and observations, encounter with data in these low-income studies, as well as analysis in large industry, and other settings over several years. The linkages to globalization as a remote cause are assertions, an interpretation. Any of the individual effects and linkages discussed remain completely open to ongoing discussion and to empirical test. Together they form a coherent pattern. That pattern and its implications for evaluators are discussed here.⁴

over-capacity problems (as in the auto industry), which are solved through merger, downsizing, and closing of plants. Globalization leads to increasing homogenization of human experience under "harmonized" law as the importance of national borders declines. It also leads to the weakening of governmental economic regulation and social welfare provision, to "rationalization" and efficiency associated with merger, downsizing, and closing of less cost-efficient plants, as well as to increased "labor discipline."

³ Thurow provides an overview of effects of income distribution on the median family (Thurow 1998).

⁴ Official perspectives suggest that any negative effects on employment, real wages, the status of working people and families, work and family life or other aspects of social life are "temporary adjustments." In these perspectives, although specific "short run" effects of globalization may benefit certain groups and harm others, "long run" benefits are expected to outweigh the costs. Thus, it is asserted that governments should in no way oppose globalization but strive to find ways to align policy and law to encourage it, and look for ways to gain advantage. Advocates place faith in economic growth as the major effect of the "liberalization" of markets. Marx, of course, if he had foreseen globalization, would have characterized it as a new stage of "primitive accumulation," a possibly final renewal of capitalism on a global scale (Marx 1867). Pragmatically, the question seems to be whether or not the International Monetary Fund (IMF) and World Bank can evolve instrumentalities capable of regulating globalized markets: Is it possible to prevent and also to rapidly

II. THE CONTEXT FOR SOCIAL PROGRAM EVALUATION

The evaluation of social programs in the US is conditioned by a (“business system”) class structure linked to the generation and distribution of wealth, income, and opportunity. The class structure of the United States, incomes policy, and the job structures of communities are usually ignored in program evaluations.⁵ This standard practice is often quite reasonable, because the program design can be changed, but the surrounding class, income, and job structures cannot. Yet, using income trends, incomes policy, class, and community job structures in an evaluation provides information which may be required to meaningfully interpret program process and results. It may also be essential in the development of strategic insight and action to increase the ability of well-designed programs to produce desired results. For example, one result of a structural analysis is that unless current income trends are reversed, the percentage of families unable to pay for basic utilities will continue to increase, perhaps dramatically. This has a direct implication for utility and local government strategy, as well as for workable social programs and program evaluation. This section brings to consciousness the economic order that frames and conditions all of our internal evaluation work within the United States.

A. Income Distribution in the United States, 1910-1959

“Inequality” is a term with many different meanings. Political economists and many sociologists use it in a broad sense that integrates dimensions of social and political life with economic structure. However, most economists use the term in a restricted sense, referring to the way income is distributed within a country. In this restricted sense, the pattern of income

remediate the negative effects of globalization on regional economies, and on local communities? For the positive aspects of globalization, see annual reports of the IMF.

⁵ Many sociologists prefer to use a term like “Social Economic Status” (SES) rather than class, in part due to the high social mobility experienced in the United States, and the absence of the historic class structures (*e.g.* feudalism) from which the modern European business systems developed. “Class,” a term favored by political economists, is an inherently economic concept with social and political relations. Class derives from the social relations through which goods and services are produced (Wright 1979). “Class” is used here because we appear to be experiencing the development of an “underclass” related to the advance of globalization (a new set of production relationships). Contrasting conceptual approaches to inequality are presented in (Heller 1969).

and wealth in the United States remained essentially unchanged from 1910 through about 1960. In 1910 the highest 20% of the population by income received 46% of (after tax) income, while the bottom 20% received about 4%. In 1959, the comparable figures were 43% and 4% (Kolko 1962).⁶ Thus, while there was a very slight quantitative shift at the top, the *structural* pattern of income distribution was constant.

A recent and more detailed review concludes (Plotnick, et al. 1998):⁷

...with regard to inequality..., we are probably replaying the statistical record of a century ago.

In this analysis, inequality was highest at the beginning of the century, lowest in the 1950s and 1960s, and has been increasing since, "...with no sign...that it has peaked" (Plotnick, et al. 1998).⁸

At the same time, while inequality is again increasing, poverty in the US has substantially decreased, from approximately one-third of the population to about one-tenth; from 33% in 1948 to 11% in 1973, then rising to 13.7% in 1996 (Plotnick, et al. 1998):⁹

...economic growth has produced a higher material standard of living for even the poorest segment of society.

If poverty is defined as a certain minimum income in real terms, then economic growth decreases poverty, even if inequality remains constant (Plotnick, et al. 1998).¹⁰ Federal programs helped. In particular, the "War on Poverty" programs of the 1960s substantially

⁶ See Table 2, p. 34 developed from Bureau of the Census data.

⁷ Although recognizing increasing economic openness as a factor influencing poverty since 1970, this study does not present globalization as a major factor.

⁸ P. 4.

⁹ Poverty percentages as calculated by Fisher, cited in Plotnick, et al, p. 21. Quotation from Plotnick, et al, p. 25.

¹⁰ P. 25.

reduced the problem of poverty among older people. These program provisions have remained in force, even as the social “safety net” for younger persons has been largely withdrawn by subsequent policy changes.

B. The Movement, 1960s

In the 1960's, following the crest of the Civil Rights movement and during the “War on Poverty,” there was a great popular emphasis on equality. In middle to late 1960s, the debate in the country was not about equality as such. The question of formal (legal) equality had been settled in the early years of the decade through the Civil Rights movement. The question was to what extent “equality of opportunity” was an inherent failure on a social scale (with individual exceptions) in the absence of a rough equality of means. Also, if a substantial investment in social welfare was to be implemented, how should it be conceptualized, and what forms should the investment take?

The discussion had been framed by the Civil Rights movement in terms of racial equality, and in the late 1960s, because of the Women's movement also became focused on gender equality. While solutions were understood to involve the realms of jobs and money, and the discussion focused on ending specific forms of racial and gender discrimination, and on poverty rather than upon socioeconomic “class,” the remedies did affect the economic status of families at the bottom of the American structure of income distribution.

As the War on Poverty was launched, poverty was understood as complex and multi-faceted, having to do with neighborhoods, socialization, differential access to economic and social opportunities, health, education, discrimination, schools, and other factors. The approach to poverty in the United States took the form of several major social programs, addressed to several dimensions of poverty. These new programs including educational support for very young children (Head Start), underwriting of “decent, safe, and sanitary” housing, and neighborhood revitalization (HUD 221-d-3 and 236, Model Cities, Community Development block grants), health reforms (Medicaid, Medicare, programs to provide rural and inner-city

medical services), and jobs programs (CETA, job training, educational support, support for state employment services).

C. The Critical Tension “Guns and Butter”(LBJ, late 1960s)

These programs, although remarkable improvements over previous efforts were never adequately funded as full-scale social programs. At the same time, the official interpretation of the anti-poverty programs has been consistently less than straightforward in disclosing the extent of under-funding. At the time, and even as the anti-poverty effort began to reach toward its potential, it was not permitted to meet the need implied by the program logic (except in rhetoric).

The continuing “Cold War” expenditures, and the ballooning cost of the war against the North Vietnamese limited the internal welfare effort of the country at the time this effort had strong public attention and support.¹¹ After a promising beginning, the War on Poverty programs were critically under-funded during the Johnson administration. The program logic would have required expanding effort to actually solve the poverty problem, as has been accomplished in the Northern European countries. However, it was not possible to allocate economic resources to meet need, even as the public image of meeting that need was officially maintained. The reality was hidden by the administration’s “guns and butter” rhetoric and by the fact that major funding was provided relative to any past efforts.

While many of the “anti-poverty” programs were effective, much of the relief of poverty was probably due to economic growth (Plotnick, et al. 1998)¹² and to an “over heating” of the economy due to the major war effort in Vietnam, Cambodia, and Laos. At the end of a long period of relative prosperity and economic growth that began at the close of World War II, the economy of the late 1960s was stimulated by war spending and war-related employment.

¹¹ However, war spending stimulated the economy, helping to lift people from poverty.

¹² P. 27.

D. Destruction and/or Decline of Program Efforts (Richard Nixon, the '70s)

When the Nixon administration took office, the executive staff leadership and intellectuals who had shaped the War on Poverty were disbanded. In some cases (for example, the Office of Economic Opportunity), agencies were destroyed from the top by appointment of officials whose mission was to demoralize staff and prevent the agency from functioning. In nearly all aspects of the War on Poverty, agencies were weakened by new leadership that did not support agency mission or interpreted mission without much social vision. Many initiatives were eventually closed out. The others were substantially weakened. More generally, vision failed and the public welfare efforts were curtailed. Many programs were phased out. Most that remained were not adequately funded. Program staffs became less and less free to pursue the roots of poverty with the vigor imagined in the 1960s.¹³

This systematic retrenchment of funding and vision was hidden by the illusion that the original War on Poverty had ever been adequately funded beyond a “start-up” phase. As far as the public was informed, the welfare programs that continued were both adequately funded and their staffs free to follow the vision of ending poverty. Some programs, those designated as “entitlements” were partially protected because legislation keyed funding to an objective criterion (however inadequate) of need. For these programs, as need increased, spending increased until the recent welfare reform. Even with these cut-backs, however, anti-poverty programs had an established momentum and continuing effect. Growth in the general economy also contributed to reduction of poverty (Plotnick, et al. 1998).

E. Wholesale removal of Social Support (Reagan the 80s)

From the 1980's to the early 1990's, federal housing support was cut sharply from \$32 billion in 1978 to \$10 billion in 1988. By 1996, Congress allocated no funds for construction of new low-cost housing. While at least 15 million families were known to qualify for housing assistance under program rules, less than one-third received assistance (DeParle 1996). Consequently, the number of low-income rental units declined dramatically. In this period

¹³ Early destruction took place in provision of legal services for the poor.

“homelessness” changed in quantity and quality from a minor problem of homeless men in a few large cities to a chronic problem involving families throughout the country. While housing provides a dramatic example, financial support for many areas essential to social welfare was cut substantially (Plotnick, et al. 1998).¹⁴

F. Positive Adjustment (Bush) and “Welfare Reform” (Clinton, the 90s)

After the cutbacks of the Reagan era, President Bush took steps to restore some funding, although token in amount. This token, but positive, tendency was continued by the early Clinton administration.

However, the Clinton administration led the “welfare reform” designed to remove entitlements, and to devolve responsibility for social welfare from the federal government to the states. Only the early effects of welfare reform are known, and they are mixed. On the one hand, return from the welfare programs to private sector employment is welcomed by those returned to the work force. One of the remarkable features of welfare reform is the good will and cooperation of nearly all of those able persons in good health, capable of juggling family responsibilities, who believe the reform will offer a path back to stable employment.¹⁵

On the other hand, the shelters are jammed year around (instead of only during the winter season), and many families are suffering levels of income below that necessary to maintain family life. In the great cities of the East Coast, it is becoming routine for poor children to spend part of each year in a public shelter. Since these are years of transition, the full force of the welfare reform has yet to be experienced. The two-year “benefit period” for the first large groups of families will end in March and April of 1999.

¹⁴ P. 34.

¹⁵ The primary problem is neither lack of motivation nor lack of job experience and work discipline. The primary problem is the job structure.

III. PERCEIVING POVERTY AS A SOCIAL RELATION

The critical conceptual error in the formulation of the War on Poverty was the failure to focus on socioeconomic class structure, the “job structure,” and incomes policy. In short, a failure to focus on *structure* altogether. Poverty is not simply a status, or a level of income. Poverty is a social relationship within a structure of production of goods and services.

Poverty is a social relationship within a structure of production of goods and services.

It is true that, as a first step, poverty may be defined by a minimal level of living, in terms of necessities of life. However, poverty is also related to the possibility of effective democracy, the quality of life, trust in government, belief in the economic system, and other core values which affect all members of society. Consciousness of the common (social welfare) interest in these values ebbs in the attempt to fix the bottom of the income structure by itself. What is needed is a focus on the relation of the bottom to the top, and on the processes which inherently link aspects of the structure over time. Thus, the relevant concern is to focus on the common social welfare (and quality of life, democracy, social peace, etc.) by keeping a rough balance so that “top incomes” in a society are only a small multiple of “bottom incomes.” This can be accomplished by significant social investment in health care, education and in minimum wage and minimum paid vacation and other social benefit legislation, a dominant public expectation throughout the European social democracies.¹⁶

In the United States, in the years of major national focus on poverty (the late 1960's), poverty was defined as the absence of income sufficient to meet a minimum standard of life. The effect of this focus is to remove any concerns regarding the incomes of those sectors of the population above poverty or “near poverty” from discussion about poverty. Federal programs then focus on maintaining families up to poverty budgets. Poverty, in this approach, is defined

¹⁶ For example, in the recent merger of Chrysler and Daimler-Benz, the Chrysler executive salaries were a high multiple of the average worker's income, while the Daimler-Benz salaries for approximate executive counterparts were at much lower multiples.

as the “federal poverty level,” calculated based on minimal needs and family size, and adjusted for inflation (Gordon 1972).¹⁷

The difference between a definition of poverty referenced to class structure (or income distribution) and a definition referenced to a minimum level of need leads to two different paradigms for thinking about poverty. If poverty is defined as a minimum standard of income, then social welfare programs become focused on “income maintenance,” rather than on ways for all people to share in meaningful lives and meaningful work (the “common social welfare”). The terms of reference of such a model for thinking about poverty then point to a “them” rather than to an “us,” or towards “the problem of the poor” rather than to the common social welfare.

In this context, and with public attention shifting to different areas, social welfare arrangements have eroded in relation to need since the War on Poverty years. Social welfare resources have become progressively under-funded and greatly stressed. At the same time, program efforts became piecemeal in vision and increasingly weak in execution as both budgets and intellectual coherency have weakened.

A closely related failure in the conceptualization of poverty is a focus that misses the critical importance of the “job structure.” As David Gordon has pointed out, to solve the “jobs problem,” the focus has to be primarily on the “job structure” of communities, not on “job training or education,” as important as these are. Gordon’s insight is that unless we create a standard for the definition of a job (job security, employer commitment, career ladder, health and welfare benefits, as well as income) and focus on the job structure and income policy, there is no solution (Gordon 1970). Thus, training programs may be evaluated as “successful” if they have a high placement level, but the outcome looks different if the job structure is stable and the trainees have simply displaced other workers. Or education programs may be

¹⁷ This discussion follows from work of David M. Gordon, and is compatible with the perspective of Wright (Wright 1979).

“successful” in accomplishing learning goals. However, in a stable or weakening job structure, they may simply produce more highly educated individuals to serve in the same or fewer positions at less pay. Structure must be taken into account.

IV. THE WILD CARD: GLOBALIZATION OF MARKETS & PRODUCTION

Both internal US social programs and internal evaluation of social programs have been influenced by globalization. Globalization is a phenomenon that is political and economic in origin, and has a multitude of strong social effects on localities and regions. Globalization is differentiated from “internationalism,” “cross-cultural cooperation,” and similar “internationalist” orientations in that it is driven by the search for profits under a corporate form of economic organization, rather than by democratic concerns or social interests. Although national governments generally support globalization, they are not leading the process of globalization, but are attempting to align with it. They are gradually bringing law and governmental policy into line to support the lead of global business interests.¹⁸

This change – globalization – is occurring in a way that was not previously foreseen. At the general level, and as a process, globalization reflects corporate interests of a business system largely free of government intervention and of the constraints of national, regional, or local interests. For the first time, the economy is integrating on a planetary level. Current technologies, including computer-aided manufacturing, satellite communications, the computer revolution, and the internet are working to eliminate the “natural advantage” of “developed countries” in manufacturing and commercial enterprise. As in all matters economic, there are many perspectives on this change, from concerns regarding

¹⁸ A prototype for understanding this type of relationship is the emergence of the ISO 14000 environmental standards (Cascio 1996). In a very thick book, there are perhaps five paragraphs devoted to cooperation with community groups and environmental interests. The main idea in these few paragraphs is that cooperation may help build consensus for undoing regulations and enforcement of environmental protection regulations by national governments. The standard reflects solely an internal industrial perspective, apparently written by industrial staffs, then endorsed by corresponding national standards agencies, representing government. This relation of industry initiative and government facilitation is typical of the globalization movement.

“deindustrialization” of the US to poetic celebrations of the rise of service industries and of integrated cross-world production (Carson 1998). A positive side of globalization lies in new opportunities in what were previously referred to as “second’ and “third” world countries, and in lowering of prices due to global competition and chronic over-capacity. More to the point here, there is also a substantial negative side evident in a series of effects of globalization in the internal social and economic life of the United States.

A. Effects of Globalization in the US

The problems created by globalization have to do with the “hollowing out” of local and regional economic resources, and both the removal of and the increasing inability to maintain local infrastructure. For example, according to the Controller of the City of Philadelphia (Saidel 1997):¹⁹

... (a)verage incomes, adjusted for inflation, for the city’s poorest households fell by 54.2 percent between 1986 and 1994 and 24.5 and 6.4 percent, respectively, for the city’s middle and wealthiest households....

Increasingly, the city government is assuming an unsustainable responsibility for the redistribution of the region’s income, with a growing portion of the city’s population at the bottom of the income distribution.

Further, “...from 1988 to [1996] Philadelphia lost 90,000 jobs...” and with downsizing and consolidation of the health sector, combined with federal welfare reform expects an additional loss of “...over 29,000 city health care jobs...over the next seven years” (Saidel 1996). These health jobs are primarily filled by aides and assistants who would be classified as “working poor” or just above the ‘working poor.’ Often, for example, nursing home aides are working in non-union jobs with no health benefits, at or just above the federal minimum wage.

¹⁹ P. iv.

Fundamentally, globalization means a loss in the level of concern for local area as corporate headquarters and jobs recede, leading to disinvestment in local jobs and local infrastructure. At the same time, while producing price declines, chronic over-capacity represents the potential loss of the manufacturing and professional positions which may currently sustain a community or region. For example, in the worldwide auto industry there is substantial over-capacity (Williams 1998):

Most industry watchers agree that as few as 10 of the world's 35 or so automakers will survive the next century.

The auto industry is caught in a situation of chronic over-capacity, yet new plants continue to be built because each new plant is slightly more cost efficient than the previous one. Thus, it may be expected that consolidation will occur through a series of mergers and downsizings, and perhaps also through a strategy of attempting to bankrupt competitor plants. On the positive side, over-capacity problems throughout the auto and high tech sectors (for example, personal computers) prevent price inflation and lead to substantial price reductions. On the negative side, such growing over-capacity problems across sectors is a classic precursor of a down turn in the business cycle.

Further, in some farming regions (for example the North Central region of the US), farmers are being driven off the land because the national government has removed the programs which for years have protected farmers from the cyclical nature of weather and markets: (Kilman 1998).

A Spreading Malaise...In North Dakota, so many are throwing in the towel that state officials got a federal grant last month to retrain hundreds of growers for other jobs. "I've never see it as bad as this," says Roger Johnson, North Dakota Commissioner of Agriculture.

Globalization leads to pressure to increase production efficiency at the level of the firm, and the removal of state supports; but also, thereby, to possible hardship and impoverishment of localities and regions.

At first, the severe negative effects of globalization are experienced by the weakest among us, while some benefit, and many are not consciously affected. However, we are all affected somewhat. In addition, it is quite possible that whatever we tolerate to be done to the weak today is a harbinger of our common future. What is happening through the coordination of economic integration on a planetary scale is a fundamental change in the relationship of citizens and their national states. As might be expected, the contradictions are extreme in the United States compared with the European social democracies. The world is gaining a remarkable global upper class, and a global middle class increasingly free of discrimination with regard to race, gender, sexual orientation, or nationality. However, an increasingly impoverished underclass is falling out of the new “globalized” system.

...an increasingly impoverished underclass is falling out of the new “globalized” system.

As might be expected when a people are under stress and the basis for economic relationships is contracting, personal debt is increasing and savings decline as families try to maintain the level of consumption to which they (or their parents) were previously accustomed.²⁰ Although consumer confidence remains high, the family contribution of labor hours has risen substantially in comparison to the 1960s in order to maintain consumption. With the exception of people who may be doing well in the stock market, the country is full of uncertainty and malaise related to job situations. This uneasiness reflects the actual feelings of

²⁰ Today, most US families are running at a deficit. At the end of 1997, cash balances of US families (across the board, including all income categories) were about 65% of consumer debt. Credit card delinquencies are rising, and personal bankruptcies have reached record levels.

Implications for Program Evaluation

the people throughout the country, even of many in high positions, in contradiction to the official economic indicators (which remain buoyant).

Finally, these structural economic problems are occurring at the top of a sustained high in the business cycle. When a business cycle turns down, typically the lower quintile of the population suffers first because the abundance of “dead-end, no-benefit, no-future” jobs will dry up quickly. A business decline will probably expose the “hollowing out” of local resources and infrastructure built up through globalization. Due to globalization, many communities and even regional areas now lack the kinds of local economic infrastructure that is tied to and supportive of the job structure. For example, even a large city such as Philadelphia, and including the region as far as the state capital in Harrisburg no longer contains a major bank owned within the region.²¹

There are several consequences of chronic financial strain. The increase in labor hours per family, for example, along with the fear of downsizing and the request of employers for additional unpaid hours at the end of the work day have a consequence for the stability of family life and the socialization of the young. The fact that having teenagers working from 20 to 40 hours a week is becoming increasingly necessary to families has a consequence for schooling and development of young people. These kinds of stress on families who work for a wage, although differentially experienced among workers, can lead to multiple forms of social disintegration including alienation, anomie, and expressions of violence. In addition, if large sectors of the US population are essentially “written off” from the global economy it is likely that schools may “dumb down.” In this case, the curricula will become less challenging and the school experience will become insecure for children. All of these factors are part of the vast underside of globalization. Globalization implies the formation of an underclass with a future of dead-end insecure jobs than do not permit an adequate family life, because real income is insufficient to pay necessary bills. Such jobs continue to pay minimum wage or near minimum

²¹ All forms of deregulation and withdrawal of state support are largely derivative from the economic and political forces of globalization.

wage following years of service, with no employer commitment, no job security, no-benefits, and no career ladder.²²

B. Implications for Evaluators

Unless evaluators take structures into account, evaluation reports will become “lectures on navigation while the ship is going down.” Globalization is being facilitated by national governments without engaging public consciousness and self-will in policy formation through discussion. Globalization is a fundamental change in the economic order, leading to a substantial increase in economic insecurity, impacts on family life, and a change in the relations of citizens and national governments. Yet its consequences are treated as semi-automatic expressions of an extension of the market system to a planetary level. Socially, it has not yet been addressed through a widespread popular democratic process. The media treats all aspects of globalization, but in a piecemeal fashion and without coherently crystallizing structural relationships. International institutions acknowledge problems but dismiss them as temporary and localized (“the price of positive change”).

Due to this lack of coherence, and the fact that a semi-automatic market process is largely hidden from public political perception and engagement, evaluators may be obligated to assume some of the responsibility for raising the level of consciousness of these problems as they affect social programs. In part, this responsibility hinges on an understanding of the role of evaluators in society. If evaluation is understood as a rationalizing force in society and if evaluators are responsible to stakeholders, then evaluators have an obligation to raise consciousness of stark social realities that condition programs and evaluations.

If evaluation is understood as a rationalizing force in society, then evaluators have an obligation to raise consciousness of social realities that seriously condition programs and evaluations.

²² Again, the need to bring the job structure of a community explicitly in to evaluation.

1. History

Globalization will have major effects on social programs. It is a powerful intervening variable that may have more impact on both outcomes and process than individual program features of even the most well designed social programs. On the one hand, perhaps certain social programs would not have been necessary in the absence of globalization. On the other, program outcomes may be deeply affected by globalization: for example, the identical program run under the higher economic democracy of the 1960s may have worked well, while today under progressively less equality it cannot²³ At least, evaluators should entertain the hypothesis that globalization is a very productive “remote” cause which operates through chains of causation ending in a set of “proximate” causes that interact significantly with program logics.

2. Alerting Clients & Stakeholders

In addition to the primary client for an evaluation, there are often many stakeholders in a program and program evaluation effort, not all of whom are necessarily “present at the table.” When evaluators begin to “pick up” evidence of effects of globalization in their survey instruments and in their contextual research, there is an obligation to make stakeholders aware of the existence of powerful background factors. This is particularly so while the federal and state statistics may mask these problems. At the least, we need to alert clients and stakeholders to these problems, and ask that they study and consider them as they engage in the next cycle of program strategy and program design.

V. SUMMARY

Income shifts since the early 1970s have increased the force of poverty, as real income has declined. Although the percentage of persons in poverty has decreased dramatically since the end of World War II, the structure of inequality has remained constant, and the degree of inequality is currently increasing. Since approximately 1970, globalization has been weakening

²³ “History” as a threat to internal validity of an evaluation is long recognized in the evaluation field. A classic case cited by Campbell and Stanley (P.7) is a 1940 study of students reading Nazi propaganda materials, even as France fell (Campbell and Stanley 1963).

local and regional economic resources and infrastructure. Where this is not already apparent, it is likely to become so when the business cycle turns down. If, as suggested here, we are in a new kind of economic era with global economic integration, this implies the emergence of a worldwide upper and middle class, but also the parallel emergence of a new kind of domestic “underclass” in the United States. Evaluators and program planners need to take income shifts and globalization into account, both to pursue truth and to develop workable solutions. It will be a long road.

VI. FURTHER READING

For a “plain English” introduction to globalization see the University of Iowa website “E-Book on International Finance and Development” established by professor Enrique R. Carrasco, and students of international finance at the university: <http://www.uiowa.edu>. For the positive aspects of globalization, see annual reports of the International Monetary Fund. A very readable book by Steve Brouwer provides an excellent overview of the current wealth and income disparity in the United States, with current statistical contrasts between the United States and Europe (Brouwer 1998). To follow trends and developments in income and poverty in the United States, nationally and for the states, see reports available from the Center on Budget and Policy Priorities website: <http://www.cbpp.org>.

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