

## Welfare debates must be wrestled away from obsessions with nudging the poor

*David Brady's book **Rich Democracies, Poor People** is a study with profoundly important policy implications, showing with painful clarity why the welfare state must be protected and indeed expanded, as a moral, political and economic imperative. **Kate Donald** values Brady's insight but had hoped for more cutting edge arguments.*

**Rich Democracies, Poor People: How Politics Explain Poverty.** David Brady. Oxford University Press USA. August 2009.

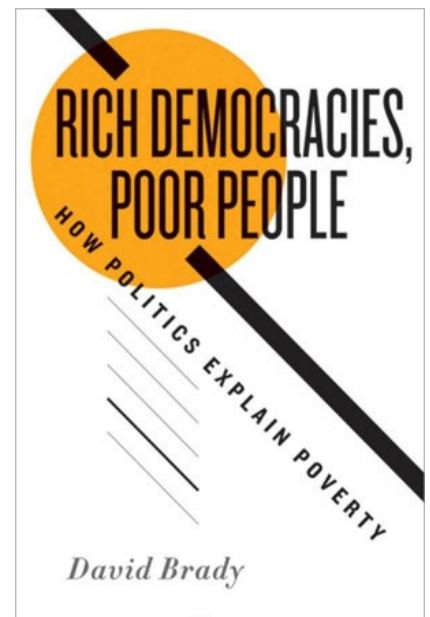
### Find this book:

How is it possible that poverty still exists in societies of unprecedented wealth and means? Why are over 17% of people in the United States living in poverty, while rates in Northern Europe are 10% lower? First published in 2009, this award winning and highly relevant account of "how politics explain poverty" by Duke University sociologist [David Brady](#) tackles some sacred cows of poverty and inequality studies, and related policy-making.

Although the book is clearly rooted in a US academic context (finishing with an overview of policy implications for the United States), Brady argues that American poverty research has been too parochial, comparison being essential to understanding the determinants of poverty. Thus, Brady uses statistics over 1969-2002 from across 18 affluent Western democracies, including the UK, in order to determine key factors in poverty trends. Indeed, he begins by telling the reader that although the family you are born into may help to predict your socioeconomic attainment, by far the larger effect is wrought by what *country* you are born into. "Obviously this is true if one compares affluent democracies of Western Europe, like Sweden, to struggling Sub-Saharan African countries, like Sudan. But this is also true if one compares Sweden [with 6.5% mean headcount poverty 1969-2001] to the United States [17.04%]."

Essentially, Brady argues that poverty, far from being an inevitable product of labour markets, macro-economic forces, deindustrialisation or social factors such as single parenthood, is in fact "the consequence of a society's failure to collectively take responsibility for ensuring the economic security of its citizens" through the instrument of the welfare state. At the crux of his argument is the claim that the levels of welfare support are the biggest single causal factor in the amount and intensity of poverty in a given (affluent democratic) context, and therefore the best tool for poverty reduction.

Following a reasoned denunciation of individualist understandings of poverty (re-gaining popularity through the side-door of behavioural economics), Brady compares welfare state generosity with a number of factors often said to be *the* key to poverty reduction, including general economic growth, productivity and employment rates. He shows that welfare state generosity is far more effective than any of the traditional liberal economic levers. He also analyses the effect of Leftist politics, understood as a combination of political parties and labour unions, but also the percentage of women in the legislature, voter turnout and electoral systems. Although he finds these to have some independent



effect on the poverty level (especially, intriguingly, proportional representation electoral models), most of their impact is channelled through the welfare state.

On the whole, Brady makes a good case for the superior ability of his approach to explain the levels and levers of poverty. Particularly compelling is his characterization of the welfare state, which he sees as fulfilling three roles: managing risk, organizing the distribution of economic resources, and institutionalizing equality. The welfare state reflects and institutionalises societal attitudes about equality and the appropriate distribution of resources: “welfare states are caused by and cause collective expectations that widespread poverty is not politically and socially acceptable.”

The book has a number of smaller yet significant insights alongside that of its big thesis, for example regarding the distribution of poverty within populations. The statistics are presented regularly but with a light touch – a 23-page appendix presenting the methodological details and full statistics for those who want to delve. Some aspects of Brady’s analysis feel somewhat over-simplified or out of date; for example, his argument that proportional representation positively impacts on poverty by giving more power to otherwise marginal Leftist actors neglects the rise of far-right parties across Europe in recent years.

However, generally Brady’s message grows ever more urgent, not less. He concludes that the USA must “follow the model set forth by the Western European countries that have all been more successful in alleviating poverty and institutionalizing equality.” In the midst of the Eurozone crisis and with austerity sweeping the continent, Europe’s policy-makers (especially those in the UK, Spain and Brussels) would do well to follow their own example. Policy debates about welfare and poverty, Brady argues, need to be wrestled from “the infatuation with the disincentives for poor individuals” and focused instead on “broad-based programs that guarantee economic security for the entire citizenry.” How can this shift be achieved, especially in the current climate?

Perhaps the answer lies in what Brady calls “latent coalitions for egalitarianism” – “the diffuse, unanticipated, and often accidental groups of diverse citizens who come together to support generous welfare states and social equality”, whose influence is channelled through Leftist politics. For example, the political power of the elderly can lead to more generous social policies that result almost incidentally in reduced poverty among single mothers. Of course, there is a danger that austerity could divide the issue groups that make up these potential coalitions, by pitching them against each other in a battle for resources. However, now the cuts are so broad and deep, the voices of outrage are growing in number and variety. It remains to be seen if these can coalesce into one of Brady’s latent coalitions, and if the European Left is still in a state to listen.

This is a study with profoundly important policy implications, showing with painful clarity why the welfare state must be protected and indeed expanded, as a moral, political and economic imperative.

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