

Book Reviews

*Eugene B. McGregor, Jr.,
Editor*

Note to Book Publishers: Please send all books for review directly to the Incoming Book Review Editor, Eugene B. McGregor, Jr., Indiana University, School of Public & Environmental Affairs, 1315 E. 10th Street, Bloomington, IN 47405-1701.

Bruce A. Weber

Out of Reach: Place, Poverty and the New American Welfare State, by Scott W. Allard. New Haven: Yale University Press, 2009, 280 pp., \$35.00, paperback.

Scott Allard has written an important book that will shape both the policy discussion of America's social safety net and the research on antipoverty policy. This book examines a dimension of social policy that has been largely overlooked as the nation's social safety net has been transformed over the past several decades from one that emphasized cash and near-cash assistance as an entitlement for persons who met certain income and demographic criteria, to a system that emphasizes social and educational services that support work activity and income subsidies that are conditional on working. Whereas the former safety net consisted of aid that could be sent through the mail, and was thus accessible no matter where the recipient lived, the current safety net focuses more on services that are delivered in particular places.

Chapter 1 outlines the dramatic changes in our social safety net for working-age low-income adults during the last two decades.

Rather than providing cash welfare assistance to a concentrated urban underclass, the safety net primarily provides services and in-kind assistance to poor people, many of whom are working and outside the formal welfare system. (p. 3)

In a social safety net system that emphasizes delivery of services, place matters, and Allard's main concerns are with the equity, access, and stability of service delivery. He argues, based on his survey of social service providers in Chicago, Washington, D.C., and Los Angeles, that "service-based social assistance is increasingly 'out of reach' or mismatched from where poor populations live," and that, because of the funding challenges service providers face and the services and staff cutbacks observed in response to funding cuts, "the safety net . . . is also unpredictable and volatile in terms of the assistance available in the short run" (p. 7).

Chapter 2 describes America's social safety net, the historical evolution from local relief to welfare to social services, the evolving role of nonprofits in the safety net, and how the geography of the social safety net matters. Allard defines the safety net to include government programs that reduce material poverty (food stamps, cash assistance, Earned Income Tax Credit), community nonprofit provision of emergency assistance (food pantries), and social or human services that promote work and work-readiness or improve personal well-being (job training, adult education, child care, or substance abuse and mental health treatment).

He questions whether the poor are better off under this system. Noting that the new system can remove some negative incentives that promote dependency, is less vulnerable to client fraud, and may be more effective and responsive than the old system, he also points to several reasons why the poor may be worse off under such a system: (1) even for those who work, the system may not meet their material needs; (2) a social service-based system is more expensive to implement for a given number of clients, so fewer are served; (3) by focusing on removing personal and family barriers, such a system neglects the structural inequities in opportunity such as shortages of jobs in low-income areas; (4) most importantly, a service-based safety net may not be equitable or readily accessible because communities and nonprofit service providers are not required to provide services, and the poor have no entitlement to a service. Thus, "the amount of assistance received in a social-service-based system is determined by the neighborhood in which one lives, not one's level of need" (p. 36).

Chapter 3 provides an introduction to the diverse providers of social safety net services and explores equity and access issues by examining whether there is a spatial mismatch between the sites where providers offer services and the residences of the potential service users. Data on the providers are from his Multi-City Survey of Social Service Providers (MSSSP), a telephone survey of executives and managers of almost 1,500 government agencies or nonprofit service organizations providing one or more of eight types of services at no or low cost to low-income adults in Chicago, Washington, D.C., and Los Angeles. These services included mental health treatment, substance abuse treatment, housing assistance, adult education (GED, ESL), job training and employment assistance, emergency cash or utility assistance, food assistance, and tax and financial counseling assistance. (Excluded from the survey are health care providers, domestic violence shelters, child care facilities, inpatient or residential care facilities, or those providing services for restricted populations such as older people, ex-convicts, and those with disabilities or HIV/AIDS). About two-thirds of the social service providers thus defined in these cities are nonprofit organizations.

A basic premise of this study is that the social safety net cannot be effective in reducing poverty and increasing self-sufficiency if it is not accessible to those who need it, that is, if the safety net is "mismatched." In order to determine whether there is a mismatch in a particular tract, Allard develops "service accessibility scores that account for the supply of assistance (number of low-income clients served by a provider within three miles of residential tract) and potential demand for services (number of low-income individuals within three miles of residential tract) (p. 65). He normalizes this score by dividing it by the metropolitan mean score so that the resulting index can be compared across the metropolitan region. Using this index, he finds "consistent evidence that high-poverty neighborhoods have far less access to assistance than low-poverty neighborhoods" (p. 65). He concludes that ". . . the safety net is out of reach or poorly matched to need in our communities" and finds "striking evidence of race-based mismatches" (p. 85).

Chapter 4 explores the stability of service delivery by looking at the financing and stability of the organizations that provide these services, and examines whether instability in funding and services is concentrated in high-poverty neighborhoods. Forty-five percent of service organizations in the MSSSP (including both nonprofits

and government agencies) reported decreases in income during the previous three years in one of the five sources of income. Although most social service providers receive income from more than one source, their success in offsetting the losses by securing other funding sources is very limited, particularly in high-poverty neighborhoods. Furthermore, “service providers in high poverty tracts are much more likely than providers in low-poverty areas to cut services, staff, or clients or to close as a result of funding loss” (p. 110).

Chapter 5 explores the role of the faith-based nonprofits in the social safety net and compares their services, service accessibility, and stability with those of government (30 percent of all providers) and secular nonprofit providers (47 percent). Faith-based organizations (FBO), comprising 23 percent of all providers, are those that self-identify as a “religious nonprofit operating separately from a place of worship” (11 percent) or a “religious congregation, church, or place of worship” (12 percent). Faith-based organizations tend to focus on addressing temporary material needs. Secular nonprofits and government agencies, on the other hand, focus their efforts on services that require professional staff: mental health and substance abuse counseling, employment services, and adult education. FBOs tend to be smaller than government agencies or secular nonprofits in both budgets and staff and in numbers of clients served. Secular nonprofits do appear to be more vulnerable to cuts in their primary funding source than government agencies or religious nonprofits, but all types of service providers experienced substantial volatility in service delivery due to funding cuts in the three years prior to the MSSSP: Between 63 and 75 percent of organizations reported a cut-induced reduction in operations.

The survey asked a series of questions about the extent to which staff or volunteers engaged in certain religious activities (praying with clients, discussing lifestyle issues with clients using religious principles, or promoting a particular religious viewpoint to clients) at service delivery sites. It may surprise some that “faith activities play no role or only a modest role in the daily service routines of most FBOs” and that “almost 50 percent of religious nonprofits and 20 percent of congregations report no involvement of religious activities in service delivery” (p. 128).

Chapter 6 examines the politics of a fragmented welfare state, an important part of which “has been transformed into a privatized, contracted-out service-oriented means of antipoverty assistance” (p. 145). The many local actors, with very different perspectives on the social safety net, reflect the “fundamentally fragmented political and institutional character of the modern welfare state” (p. 146). According to Allard, a decentralized safety net may better reflect local priorities, but the fragmentation and decentralization can also lead to redundant and inefficient programs, and competitive pressures between jurisdictions create strong incentives for reducing local social service provision.

In Chapter 7, Allard offers some suggestions about policy and program changes that would “increase the safety net’s capacity to promote self-sufficiency while it also offers more equal access to assistance” (p. 175). He suggests ways of connecting those in need with existing services, and advocates transportation solutions, increased housing stability, linking public housing with social services, and increased support for nonprofits. Particularly helpful are two sections—one that lifts up several innovative regional approaches for matching services to the changing geography of poverty (including an effort by the United Way of Greater Toronto to address the lack of services in newly-poor inner-tier suburbs), and the other that outlines needed changes in the TANF program.

Of the many challenges to researchers scattered throughout this book, I would note three. First, he calls for more research on factors affecting service utilization by low-income adults (pp. 35, 177). Allard would have us recognize that “a client’s interaction with the welfare system has changed substantially in the last few years” (p. 186). Much of the discussion of the nation’s public safety net assumes a model of economic rationality based on the pre-1996 cash entitlement programs in which

one could “seek material assistance opportunistically” (pp. 186–187); such a model does not work well in analyzing client behavior in the current safety net.

Second, he asks scholars to seek a better understanding of what constitutes “better service access,” “adequate service availability,” and “adequate service provision.” He asks: “At what threshold does the number of providers, client slots, or service dollars per capita create adequate availability? Do communities successful at promoting work activity invest in particular types of programs or agencies?” (p. 183).

Finally, Allard calls for a better understanding of the “subtle policymaking processes that determine how social service programs are provided and supported across communities” (pp. 42–43). He argues that “some of the most important political activity defining the contemporary safety net exists at the local level,” involving elected officials, community leaders, nonprofit managers, and administrative agency staff.

I have two minor quarrels with the book. It seems to me that one could come away with the misimpression that the nation’s safety net is primarily social services. Allard defines the social safety net rather broadly in Chapter 2 as consisting of the Earned Income Tax Credit and near-cash assistance such as food stamps (two large programs), as well as cash welfare payments and services. But when attempting to demonstrate the magnitude of the policy shift from cash to services, he compares just social services and cash welfare: “we as a nation spend close to twenty times as much on social services as we do on welfare cash assistance” (p. 13). I do appreciate the need to correct the popular impression that cash welfare payments are the primary element of the social safety net, but I believe the assertion that “social service programs have become the primary mechanism through which government and communities assist low-income populations” (p. 4) overstates the role of services. A table in the text identifying the important safety net programs with estimates of the number of recipients and amount of expenditures in each would have been helpful.

Second, one could also infer after reading *Out of Reach* that issues of access and equity in the social safety net are strictly urban problems. Given the higher poverty rates in nonmetropolitan counties and greater potential for the safety net being “out of reach” in rural areas given the greater distances between provider and user in rural America, I was somewhat surprised that Allard did not report the findings from his Rural Survey of Social Service Providers (RSSSP). (In the spirit of full disclosure, I note that when I was co-director of the RUPRI Rural Poverty Research Center, RPRC provided some funding for the RSSSP.) Findings from the RSSSP that Allard administered in rural areas of Georgia, Kentucky, New Mexico, and counties at the Oregon/California border (reported, for example, in Allard, 2009) provide evidence that service accessibility and organizational vulnerability may be at least as problematic in rural areas as in urban areas.

These minor qualifications notwithstanding, the book stands as an original and important contribution to the literature on poverty policy, introducing geographic access as an important consideration in the design of the social safety net. *Out of Reach* establishes that access to the safety net is potentially problematic for many poor adults and their families, particularly in high-poverty neighborhoods. What Allard’s analysis cannot do, of course, is discern whether access is a serious problem from the perspective of the user. What is needed to complement Allard’s book is a new study that explores the experiences of low-income families in navigating the current social safety net, where “access” depends more on whether the particular configuration of programs offered locally matches the needs of the local low-income populations. Such a study would permit conclusions about accessibility of the safety net from the perspective of the user. It would provide evidence about the extent to which services are perceived as “siloes” by the users, and clues about how to make the system work better for them.

Out of Reach is a path-breaking book that should change the way policymakers and scholars think about and design the nation’s social safety net. It belongs on the

required reading list of all who wish to understand both the fundamental changes in the safety net during the past 2 decades and the important obstacles to making the safety net more stable and accessible to all who need it.

BRUCE A. WEBER is Professor of Agricultural and Resource Economics at Oregon State University.

REFERENCE

Allard, Scott W. (2009). Mismatches and unmet need: Access to social services in urban and rural America. In J. P. Ziliak (Ed.), *Welfare reform and its long term consequences for America's poor*. Cambridge: Cambridge University Press.

Viktor Mayer-Schönberger

Transforming Global Information and Communication Markets: The Political Economy of Innovation, by Peter F. Cowhey and Jonathan D. Aronson. Cambridge, MA: MIT Press, 2009, 368 pp., \$34.00 hardback.

Wikigovernment: How Technology Can Make Government Better, Democracy Stronger, and Citizens More Powerful, by Beth Simone Noveck. Washington, DC: Brookings Institution Press, 2009, 224 pp., \$28.95 hardback.

Only less than a decade after the meteoric rise of the Internet as the global information and communication infrastructure of choice, another fundamental shift looms and promises to change not only how we communicate with each other and inform ourselves, but how organizations, from businesses to government, are changing their very structure and the way they work. In a world that is replete with hyperbole of future, present, and ongoing revolutions of one sort or another, it is difficult to separate the wheat from the chaff. Both *Transforming Global Information and Communication Markets* and *Wikigovernment* do so impressively. Each of them highlights a particular aspect, but at the core they converge on a single, powerful argument: The world is witnessing a fundamental shift, well studied in the business literature (Baldwin & Clark, 2000; Evans & Wolf, 2005), in how information flows due to *modularity*. As large organizations, infrastructures, and information sets become modular—parceled out into smaller components that interoperate and are linked with each other, one can innovate not simply by reinventing new modules, but by recombining them.

Transforming Global Information and Communication Markets focuses on the modularity of information and communication infrastructures. Authors Peter F. Cowhey and Jonathan D. Aronson are accomplished experts in analyzing the transformation of the telecommunications and media sectors. No surprise then that their book, in addition to the modularity narrative, is also a superb history of the technology, industry, and political economy of the telecom sector in the United States. Anybody teaching telecom policy should consider adding Chapters 2 to 5 to their course's reading lists.¹ In these, the authors detail the trajectory of telecommunications over the last five decades. Concise, logical, and with an impressive penchant for the truly important developments, they retrace the sector's trajectory, explaining not just what happened, but why. (I disagree with their comparative analysis of the situation in Europe. Too brief and cursory, it's a bit of a caricature. But that is such a tiny piece of the entire story that it is close to irrelevant.)

¹ The entire book is available under the creative commons license for a free download from <http://irps.ucsd.edu/globalinfoandtelecom/>.

Based on this impressive analysis of telecom's trajectory, the authors develop their argument of a rise of modularity on the infrastructure level. At first, their argument may sound counterintuitive, contradicting the conventional story of how after a relatively short chaotic entrepreneurial phase, large players with deep pockets quickly consolidate telecom and Internet markets. For example, economies of scale and scope would make it cheaper for Google to offer a new online service using its existing huge information inventory, software capabilities, and server farms than for a new startup. The same is being said of Flickr, Facebook, and Amazon, as well as telecommunication companies, which have been trying to obtain market share through mergers and (at least sometimes) vertical integration.

Cowhey and Aronson do not dispute the facts, but they suggest that because recent information and communication technologies make it easier to break large infrastructures into smaller modules that could be operated more independently, the forces that drove consolidation and concentration may soon be superseded by the centrifugal forces of modularity. They advance their argument with an impressive amount of empirical evidence, and even though I was skeptical at the beginning, I came away persuaded that modularity in the information and communication sector is in fact happening.

Your average business strategist might have stopped here. After all, the modularity narrative is as powerful as it is valuable. But Cowhey and Aronson take a further step by linking market changes to policy. Picking three distinct areas—trade, wireless infrastructure, and Internet governance—the authors explain how the changes brought about by modularity in ICT infrastructures will shape and play out in the formation of domestic and global policy (pp. 149–231). The third of their case studies, on Internet governance, is a particularly masterful analysis employing a theory of governance rooted in economic analysis of domestic dynamics and a somewhat softened version of international relations realism (pp. 207–231). It complements well such leading works on the subject as Milton Mueller's *Ruling the Root* (2002).

To be sure, such a sweeping analysis also invites criticism. Cowhey and Aronson make a persuasive case that their theoretical mix is appropriate. Those, however, who dispute the underlying assumptions of an economically driven analysis of political action on the domestic level, and of realism on the international level, may disagree with the analysis presented. But in itself, and despite the variety of contexts, Cowhey and Aronson's analysis is remarkably consistent. Even those who subscribe to a different theoretical underpinning will surely gain useful insights.

The final chapter of *Transforming Global Information and Communication Markets* is devoted not to analysis, but to policy prescriptions. What policies are most suitable for a modularized world of information and communication infrastructures, the authors ask, and what can policymakers do to facilitate modularization?

Policy is of central importance, the authors point out, because technology and market forces alone may not suffice to bring about and sustain modularization. Cowhey and Aronson know that technology alone does not shape reality; they are not technical determinists (pp. 130–133). To them, an inflection point exists in which ill-suited policies could tip the balance in the wrong direction, depriving us of the utility and innovation advantages offered by modularity. This is why, after such a sumptuous feast of analytic insights, they venture into the prescriptive realm.

Helped by Donald Abelson, the authors present guiding principles, centered on enabling inter-module transactions, interconnection, and reconfigurability (pp. 235–236). They also advocate for major market leaders to tackle the policy issues on a domestic level first, to be followed by international leadership and imitation to spread the right policies to other jurisdictions (p. 237). To demonstrate the validity of these principles relative to other policy options, the authors evaluate three alternative policy paths (a "commons" approach, a narrow focus on competition policy, and an again somewhat caricatured "European" approach) and show why taking any of them would lead to less optimal results.

The concluding chapter I found to be somewhat less compelling than the others—not for those who are both persuaded by the modularity argument and subscribe to the underlying view of market efficiency and the central importance of trading rights. For those, however, who disagree with some of the authors' premises, the concluding chapter may not be sufficiently persuasive. Moreover, some suggestions in the chapter, like the advocacy of tradable rights in personal information (the propertization of informational privacy) may be consistent with the four guiding principles but still fraught with crippling theoretical and practical difficulties (pp. 261–264).

Overall, however, Cowhey and Aronson have produced a magisterial work on the rise and importance of modularity for information and communication infrastructures—and the policy context and policy implications stemming from it.

Without employing the term directly, Beth Simone Noveck's *Wikigovernment* is about another kind of modularity—not of the infrastructures, but of information and information flows. Beautifully written, her book first chronicles the peer-to-patent pilot project. Patent applications are only granted after an examination by a government patent officer. This examination aims at ensuring (among other things) that the patent application is indeed about something novel. Due to the very large number of patent applications submitted every year and the limited number of government patent examiners, each application is only considered on average for less than 20 hours; even this limited amount of examination time results in a three- to five-year backlog. Equally troubling, according to Noveck, is that many applications that are granted shouldn't have been, as the successful patenting of the peanut butter and jelly sandwich exemplifies (pp. 3–4).

This dire situation could be improved by broadening the circle of those examining patents. Taking a page from peer production projects like the open source Web browser Mozilla or the online encyclopedia Wikipedia, Noveck proposes to employ a much larger community of those who are both interested and knowledgeable to contribute to the examination of patent applications (pp. 47–105). Recent collaborative Web technology could provide the technological platform to enable such collaboration. This concept of peer collaboration in examining patents is the heart of Noveck's peer-to-patent concept that is now being evaluated in pilot tests in the U.S. as well as other jurisdictions.

It is an intriguing idea, and one with the potential to have real impact on the administration of the patent system. But Noveck argues that her idea has legs much beyond the peer-to-patent context (pp. 107–127). She suggests that peer-to-patent could serve as a blueprint for many other areas of public administration and public policy, like the regulatory rule-making process. Often technical, agency rule making has rarely garnered much public attention. Electronic rule making was supposed to address this by providing a Web portal for citizens to locate, evaluate, and comment on proposed agency regulations. But Noveck, one of the experts in e-rule-making, warns us that the results so far have been dismal for at least two reasons. The first is that electronic rule making is unnecessarily difficult to use. For Noveck, much of whether a community can be mobilized to collaborate and sustain the collaboration over time depends on how well the relevant information is presented, and how user friendly the Web application is that facilitates the collaborative process (pp. 71–72).

The second reason is that early electronic rule making enthusiasts mainly focused on improving civic participation; they targeted process and aimed at furthering democracy. In contrast, Noveck suggests that our main goal should not be deliberative democracy, but enhancing outcomes of the regulatory process through improved information inputs. This, she suggests, can be achieved by breaking down the information silos that exist in government and embracing information flows that can be reconfigured and reconnected.

Wikigovernment is not primarily a call for distributed intelligence and “crowd-sourcing,” for example, in the form of prediction markets. With great precision

Noveck differentiates prediction markets, which utilize individuals' desires for relative economic gain, from the technology-facilitated peer-collaboration she advocates. Prediction markets may have a niche role to play, but Noveck's approach has much greater potential for sustained positive impact in a significantly wider number of settings.

As she takes the reader through a number of potential applications, it becomes clear that good user interfaces and a clearly targeted peer group of potential collaborators are necessary, but not sufficient, elements of wikigovernment. Equally important are modularized information sources that can be used, combined, and reconfigured not just by the government agency in charge of them, but by a much larger group of interested players. As Noveck explains eloquently, it often isn't the government that comes up with the most innovative and useful way of utilizing information sources at its disposal; wikigovernment enables the innovative power that can be unleashed by combining modularity of information sources with peer collaboration through visually appealing, user-friendly technical tools.

President Obama seems to have taken a page out of *Wikigovernment*. His appointment of a CTO, and his plan to modularize and make available a variety of government information sources (see <http://www.data.gov>), and to create information visualization tools (see <http://www.apps.gov>) point in that direction. It is therefore not surprising that Noveck now works for the Obama administration as Deputy Chief Technology Officer for Open Government at the Office of Science and Technology.

Wikigovernment is a highly readable, yet precisely worded argument in favor of peer collaboration around modularized government information sources to improve policy outcomes.

Taken together, both books highlight the central importance of modularization—at the level of both infrastructure and information sources and flows. They suggest how to advance modularization through appropriate policies and why the decision to embrace or neglect modularization might be one of the most important and current policy choices.

VIKTOR MAYER-SCHÖNBERGER is Director of the Information and Innovation Policy Research Centre, National University of Singapore.

REFERENCES

- Baldwin, C., & Clark, K. (2000). *Design rules: The power of modularity*. Cambridge, MA: MIT Press.
- Evans, P., & Wolf, B. (2005). Collaboration rules. *Harvard Business Review*, 83, 96–104.
- Mueller, M. (2002). *Ruling the root*. Cambridge, MA: MIT Press.