
Social Policy in the
United States

FUTURE POSSIBILITIES IN
HISTORICAL PERSPECTIVE

Theda Skocpol

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Social Policy in the United States

American Social Policies: Future Possibilities in Historical Perspective

DEBATES about fundamental reworkings of national social policy are at the center of U.S. politics—and are likely to remain there for the foreseeable future. Some debates are hardy perennials that keep recurring. “Welfare reform,” for example, has come up at least once a decade since the 1950s, and President Bill Clinton’s boldly declared intention to “end welfare as we know it” is only the most recent version of a long-standing aspiration to substitute wage-earning jobs for dependency on public aid by the poor.

The idea that Social Security for the American elderly may be “too expensive” is another debate that keeps coming up. Back in the early 1980s, the administration of conservative President Ronald Reagan had to beat a hasty retreat from hopes to cut Social Security, when it discovered the widespread, bipartisan popularity of this program and had to face the political clout of organized elderly constituencies. But conservative plans fundamentally to revamp Social Security have never gone away, and recently the bipartisan Concord Coalition, led by former Senators Paul Tsongas and Warren Rudman, has renewed the call to save America from public bankruptcy through cuts in “middle-class entitlements” including Social Security. Even some liberals are willing to contemplate sharp cuts in programs for the elderly, out of desperation to free up tax resources to pay for new social programs to aid children and working-aged families.

Somewhat more surprising, perhaps, has been the return of debates about the federal government’s role in ensuring health care for all Americans. This is an issue that had all but disappeared from the national agenda after the late 1970s. But in the fall of 1991 an obscure Democratic candidate, Harris Wofford, overcame a forty-point deficit in the opinion polls to win a special senatorial election in Pennsylvania. Mr. Wofford ran television commercials promising that he would work for health insurance covering every American; and his surprise victory over a well-established Republican opponent was widely attributed to this emphasis on universal insurance. Suddenly electoral politicians awoke to the worries about health coverage that were spreading among

middle-class citizens, who no longer feel secure about their jobs and employment-based benefits.

During his campaign for the presidency in 1992, Democratic candidate Bill Clinton picked up on the theme of comprehensive health care reform, even as he highlighted the need for new national policies to promote jobs and training for employment. After President Clinton assumed office in January 1993, officials in his administration and task forces assembled around its edges set to work devising bold new plans for reworking America's social and economic policies. Some steps were taken quickly and quietly, such as the summer 1993 expansion of the Earned Income Tax Credit to boost the incomes of low-wage working families. In other areas, such as job training and welfare reform, elaborate plans have been worked out, only to run up against draconian budgetary constraints that will probably prevent their full implementation. Democratic candidate Bill Clinton had, after all, not only promised to reinvigorate national economic and social policies; he had also promised to cut the national budget deficit and reduce taxes for the broad American middle class.

Even in the face of powerful budgetary and political constraints, Clinton chose to stake much of his presidential prestige on a comprehensive "Health Security plan" unveiled in the fall of 1993. Echoing themes of universal protection reminiscent of former President Franklin Roosevelt's legislation for Social Security during the New Deal, President Clinton unabashedly hopes to make the 1990s a watershed for U.S. public social provision comparable to that of the 1930s. As the President declared in his September 22, 1993, speech to the Congress and the nation:

It's hard to believe that once there was a time—even in this century—when retirement was nearly synonymous with poverty, and older Americans died in our streets. That is unthinkable today because over half a century ago Americans had the courage to change—to create a Social Security system that ensures that no Americans will be forgotten in their later years.

I believe that forty years from now our grandchildren will also find it unthinkable that there was a time in our country when hard-working families lost their homes and savings simply because their child fell ill, or lost their health coverage when they changed jobs. Yet our grandchildren will only find such things unthinkable tomorrow if we have the courage to change today.

This is our change. This is our journey. And when our work is done, we will have answered the call of history and met the challenge of our times.

Stirring presidential rhetoric aside, the specific proposals of the Clinton administration are certain to be fundamentally reworked, even mangled, by Congress before anything becomes law. This is true not

only for health care reform, but also for proposed changes in welfare, employment programs, and programs dealing with the needs of working families. Still, no matter how much—or how little—actually happens during the (one- for two-term) presidency of Bill Clinton, fundamental issues are not going to go away. Financing health care, caring for an aging population, retraining displaced employees, putting welfare mothers to work, and making employment sustainable along with parenthood for all American families—all of these matters and more will require repeated attention from presidents, congressional representatives, state and local governments, and citizens. Well into the early twenty-first century, the United States seems certain to be reconsidering and revising its public social policies.

So how are we to make sense of the making and remaking of social policies in the United States? Many people would answer this query timelessly—in moral-ideological terms, or else in supposedly value-neutral technical terms. For moralists, battles over U.S. social policy may be seen as clashes between advocates of "big government" versus "the market," or as combat between those who want to economically aid the needy versus those who want to control and reform their behavior. Meanwhile, for many professional experts, social policymaking is understood as a matter of doing "objective" research on the extent of societal problems, in order to devise optimal cost-efficient "solutions" for politicians to enact.

Moralists and technocrats thus look at social policymaking in very different ways. But they have in common an almost total lack of historical and political sensibility. Both moralists and technocrats tend to look at policy formation outside of the context of America's historically changing governmental institutions, and without reference to broader political tendencies and alliances. Consequently, moralists are unable to understand why their version of "good" triumphs or fails to triumph over "evil" at any given moment. And technically oriented policy experts feel no responsibility to consider matters of governmental feasibility, or to take responsibility when the "efficient" solutions they propose either are not accepted, or else lead to unintended and unwanted outcomes.

The lack of historical and political sensibility is, in a way, quite comfortable for moralists and technocrats alike. In the face of political failures, moralists can simply redouble their shrill, absolutist cries for good versus evil. And technocrats can retreat to academia or think tanks and continue working out perfect solutions for unnamed future politicians to adopt—with unforeseen consequences, for which the experts need take no responsibility. What moralists and technocrats both fail to achieve, however, are reliable insights into the political constraints and

possibilities for making and remaking American public policies at any given historical juncture, including the present.

This collection of essays reveals how much we can learn about limits and possibilities in the *politics* of U.S. social policymaking by taking a long historical view. The American social policies discussed in these essays stretch from such nineteenth-century programs as pensions for Union veterans of the Civil War and workhouses for the poor, to such early twentieth-century measures as “mothers’ pensions” and health programs for babies and pregnant women, to more currently prevalent and familiar policies or proposals about Social Security, employment training, Aid to Families With Dependent Children, and health care reform. The reader of this volume may well learn facts about the past that he or she did not previously know—such as the fact that massive federal government spending for the elderly started, not in 1935 with Social Security, but in the late nineteenth century with generous pensions for former Union soldiers of the Civil War and their family dependents. The reader will also notice important continuities and shifts across U.S. political debates about such familiar matters as health care, welfare, and Social Security for the elderly.

But this collection is not just a recounting of past and present U.S. social policies. More than that, it features arguments about *how* changing governmental institutions, social conflicts, and political alliances prompted and allowed certain kinds of social policies to be publicly debated in each major period of modern American history. And this collection offers explanations about *why* some kinds of proposed policies were successfully enacted, or expanded, in each period of modern U.S. history—while others fell by the wayside in political defeat, or else could not be successfully implemented or sustained after an initial legislative enactment.

Lessons about the past are not merely of antiquarian interest. They speak to issues that continue to animate U.S. social policy debates today.

It is often claimed, for example, that Americans are a people inherently opposed to taking “handouts” from government. Social Security programs created during the Great Depression of the 1930s are seen as something of an exception to the normal “hardy individualism” of U.S. citizens. But a full historical purview leads to a very different conclusion. Since the nineteenth century, large numbers of mainstream American citizens have been delighted to accept—and politically support—certain generous, federally funded social benefits. While middle-class and working-class Americans are typically reluctant to see public monies spent for the poor through welfare programs, they have repeatedly been willing to support politically and pay taxes for social benefits

that are considered to be “earned” by worthy citizens such as themselves. Aid to the poor has also been acceptable to broad groups of American citizens, whenever such aid has been part of broader policies that express shared values and also benefit middle-class citizens.

Social security benefits for the retired elderly are the best contemporary example of support by Americans for universal social policies. People “earn” pensions linked to their records of employment and the levels of their wages. And Social Security encompasses almost all employed Americans and their families. In recent decades, Social Security has thus enjoyed broad, political bipartisan support across lines of class and race.

Conservatives who are opposed to large governmental programs of social provision understand well that Social Security is hard to cut back as long as it has middle-class support. It is therefore not incidental that contemporary conservative tactics for shrinking Social Security take the form of efforts, first, to convince young middle-class employees that Social Security is a “bad deal” for them economically, that they would be better off to turn to private investments for retirement. Another tactic is to attempt to undermine the confidence of all Americans that Social Security will be there in the future, by suggesting that the system is “bound to go bankrupt” as the aging post–World War II “baby boom” generation ages. Conservatives propose to “save” Social Security by trimming it back into a program targeted especially on the most needy elderly, and taking better-off middle-class people out of the system. Some of them may honestly believe this is just a matter of “fiscal responsibility,” but many surely have learned a lesson from political history: Social Security has expanded and survived *because* it has middle-class participation and support. If middle-class Americans can be removed from the system, it would soon turn into one more welfare program for the poor, and could easily be cut back even further in the future.

Analyses in this collection show that arguments over particular social policies at given moments of U.S. history have been closely linked to perspectives on what the U.S. government should do, and to beliefs about what it apparently *can* do effectively. Policy debates are also influenced by the reactions of governmental officials, citizens, and politically active social groups to previous public policies. Prior policies may be seen as models to be extended or imitated; or they may be seen as “bad” examples to be avoided in the future.

Back in the early twentieth century, for example, some politicians and trade unionists wanted to imitate Civil War pensions, extending them into pensions for most elderly working Americans. But most politically active middle-class groups in that era viewed Civil War pensions as a

negative precedent, because they were trying to reduce the power of the kinds of elected legislators and party politicians who had worked to expand Civil War pensions in the first place. Similarly, today, some politicians and groups want to build upon existing parts of U.S. social policy—for example, moving from universal Social Security for the elderly to universal “health security” for all Americans. Simultaneously, however, there are groups arguing that the U.S. federal government invariably “messes up” any program it touches. They point to problems with the postal service, or with earlier federal regulatory programs, in order to argue that the quality of American health care will inevitably be undermined if the national government takes a stronger role in the system.

Indeed, a historical perspective on today’s debates over health care reform helps us to understand why the comprehensive health security plan introduced by President Bill Clinton in September 1993, apparently to great acclaim, so quickly became the target of rhetorically devastating attacks against “government bureaucracy.” To be sure, President Clinton and his advisors tried to use lessons from U.S. political history in devising and arguing for their version of comprehensive health care reform. We have already noticed the President’s attempt to link up with favorable attitudes toward Social Security by emphasizing universal health coverage that “can never be taken away” from any American. In addition, the President and his advisors tried to be clever about the issue of state power. They took it for granted that Americans are wary of giving “the state” a stronger role than “competitive market forces.” Consequently, they proposed a version of health reform—called managed competition—that supposedly did not rely on taxes, and that allegedly would preserve and enhance market competition in the offering of health insurance “choices” to all Americans.

Still, the President and the health care experts who advised him may have failed to notice a quite important—historically noticeable—nuance about American reactions to governmental power. Especially since the 1980s, conservatives have proclaimed that Americans invariably hate taxes. But history shows that middle-class Americans have been quite willing to pay taxes when they were sure that these monies would go for worthy purposes from which they along with other citizens benefit. At the same time, history also reveals that many sorts of proposed social policy reforms—including proposals for publicly guaranteed health coverage in the 1910s, 1930s, 1940s, and 1970s—have been highly vulnerable to ideological counterattacks against government “bureaucracy.” Arguably, Americans resent government regulations even more than they may dislike taxes.

Of course, the Clinton health care reform plan of 1993 was very

susceptible to the “bureaucracy” criticism. It tried to achieve universal coverage and cost control in health care by overlaying multiple existing private bureaucracies—hospitals, insurance companies, medical associations, state and local governments—with still more layers of federal bureaucratic regulation. Conservative critics have been able to ridicule the proposed Clinton reforms for their regulatory complexity.

Although the U.S. government has always been in many ways much *less* bureaucratic than the governments of other advanced-industrial nations, nevertheless there are understandable reasons why Americans fear public regulation. Precisely because the federal government in the United States lacks strong administrative bureaucracies that can reach directly into localities or the economy, national-level politicians tend to enact programs that rely on a combination of financial incentives and legal rules to get things done. The federal government partly bribes and partly bosses around state and local governments and nongovernmental groups—getting them to help the federal government do what it cannot do alone. Ironically, however, this sort of situation often gives rise to louder outcries against “federal bureaucratic meddling” than might exist if the national government were able to act directly. Such outcries are especially likely to occur if the federal government proposes to regulate more than to subsidize.

Thus, in the debates over the Clinton health care plan, lots of groups—including insurance companies, but also hospitals and state governments—fear that federal regulations might financially squeeze and forcibly remodel their operations over time—and without giving them offsetting benefits in the form of generous federal subsidies to pay for currently uninsured groups of citizens. This worry about the “bureaucracy” of the Clinton health care plan is obviously enhanced by the fact that the President’s declared objectives include “controlling costs” in the national health care system, as well as extending coverage to all Americans. The President promised to do all of this without raising new general tax revenues. Ironically, by trying to quell worries about taxation, the President and his allies heightened even more deep-seated—and historically very predictable—worries about “governmental bureaucracy” in the United States.

I have mentioned only a few of the insights about the contemporary politics of U.S. social policymaking that might be gleaned from the essays collected in this volume. Understandings of past politics can also help to illuminate today’s debates over welfare reform, or family policies, or the feasibility of federally sponsored employment programs. There is little need for me to go over all the connections between historical analysis and contemporary policy choices, because many of the

chapters to come speak explicitly about them. In the Conclusion, moreover, I draw upon historical understanding from my own value-standpoint to talk about how U.S. social policies might be remade for the dawn of the twenty-first century.

Working from their own value premises, many readers will make connections between past patterns and future possibilities other than the ones I have highlighted. That is fine. This little book will have achieved its objective if it convinces people of varying persuasions that historical analysis is highly relevant to understanding the limits and possibilities of social policymaking today. The future of U.S. social policy is not determined; it depends on political debates and developments happening now and in the years to come. As future possibilities take shape, the protagonists in contemporary debates can learn much from the past. Historical understanding, centered on governmental institutions and shifting political alliances, can help politicians, experts, and citizens alike to make wise choices about what should—and can—come next in American social policy.

CHAPTER ONE

State Formation and Social Policy in the United States

“AMERICANS may be defined as that part of the English-speaking world which instinctively revolted against the doctrine of the sovereignty of the State and has . . . striven to maintain that attitude from the time of the Pilgrim Fathers to the present day” (Pollard, 1925, 31). Citizens of the United States view themselves as fortunate not to be subject to any overbearing “state.” And observers rightly have trouble identifying elements of concentrated sovereignty in the American political system—except, perhaps, when the USA acts aggressively on the world stage. There are, of course, excellent historical reasons why Americans lack a strong or positive sense of the state. Nevertheless, we can learn a surprising amount about American politics by treating state-society relationships in strictly analytical terms.

To imagine that the United States has been a dynamic society and capitalist economy unencumbered by any state would be an ethnocentric illusion. Instead, the specific organizational forms that state activities have taken in America have profoundly affected the social cleavages that have gained political expression and helped to determine the sorts of public policies that U.S. governments have—and have not—pursued from the nineteenth century to the present day. Drawing on my own current research, I can illustrate this argument by exploring why the historically evolved patterns and phases of U.S. public social provision have differed from those characteristic of European welfare states.

SOCIAL POLICIES IN THE UNITED STATES

Modern “welfare states,” as they eventually came to be called, had their start between the 1880s and the 1920s in pension and social insurance programs established for industrial workers and needy citizens in Europe and Australasia. Later, from the 1930s through the 1950s, such programmatic beginnings were elaborated into comprehensive systems of income support and social insurance encompassing entire national

populations. In the aftermath of World War II, Great Britain rationalized a whole array of social services and social insurances around an explicit vision of “the welfare state,” which would universally ensure a “national minimum” of protection for all citizens against old age, disability and ill health, unemployment, and other causes of insufficient income. During the same period, other nations—especially the Scandinavian democracies—established “full employment welfare states” by deliberately coordinating social policies, first with Keynesian strategies of macroeconomic management and then with targeted interventions in labor markets.

Comparative research on the origins of modern welfare states typically measures the United States against foreign patterns of “welfare state development.” America is considered a “welfare state laggard” and an “incomplete welfare state” because it did not establish nationwide social insurance until 1935 and because it never has established fully national or comprehensive social programs along European lines. But this approach overlooks important social policies that were distinctive to the United States in the nineteenth and early twentieth centuries. It also distracts us from analyzing why U.S. social policies since 1935 have been characterized by sharp bifurcations between “social security” and “welfare,” as well as by persisting federal diversity in certain policy areas.

Early American “social policy” included state and local support for the most inclusive system of primary and secondary public education in the industrializing world (Heidenheimer 1981; Robinson 1986). It also included generous local, state, and federal benefits for elderly Civil War veterans and their dependents. By 1910, the U.S. federal government was giving old-age and disability pensions to over a third of all elderly men living in the North and to many widows and orphans (and some elderly men in the South) as well (Skocpol 1992, chap. 2). In terms of the large share of the federal budget spent, the hefty proportion of citizens affected, and the relative generosity of the benefits by contemporary international standards, the United States had become a precocious social spending state!

In the early 1900s, a number of U.S. trade union officials and reformers hoped to transform Civil War pensions into more universal publicly funded benefits for all working men and their families. But this was not to be. Many social reforms were enacted into law during the progressive era, but not measures calling for new public social spending on old-age pensions or other kinds of working men’s social insurance. The United States thus refused to follow other Western nations on the road toward a paternalist welfare state, in which male bureaucrats would administer regulations and social insurance “for the good” of breadwinning industrial workers and their dependents.

Instead, America came close to creating a pioneering maternalist wel-

fare state, with female-dominated public agencies implementing regulations and benefits for the good of women and their children. From 1900 through the 1920s, a broad array of protective labor regulations and social benefits were enacted by state legislatures and the national Congress to help adult American women as mothers or as potential mothers (for full details, see Skocpol 1992, Part 3). The most important of these “maternalist” social policies were mothers’ pensions enacted by forty-four states to authorize regular benefits for impoverished widowed mothers, laws enacted by all but two states to limit the hours that women wage earners could work, laws enacted by fifteen states authorizing minimum wages for women workers, and the federal Sheppard-Towner Infancy and Maternity Protection Act of 1921, which authorized the U.S. Children’s Bureau to supervise federal matching payments subsidizing local and state programs for maternal health education. Overall, a remarkable number of policies for women and children were enacted in the United States during a period when proposed regulations and benefits for male industrial workers were defeated.

The Great Depression and the New Deal of the 1930s subsequently opened possibilities for old-age pensions and social insurance. In what has been called a “big bang” of national legislation (Leman 1977), the Social Security Act of 1935 created a basic framework for U.S. public social provision that is still in place. Public health insurance was omitted from the Social Security Act, and later schemes for universal national health benefits also failed. Yet three major kinds of nation-spanning social provision were included in the 1935 legislation: federally required, state-run unemployment insurance, federally subsidized public assistance, and national contributory old-age insurance.

Unemployment insurance was instituted in 1935 as a federal-state system. All states were induced to establish programs, but each individual state was left free to decide terms of eligibility and benefits for unemployed workers, as well as the taxes to be collected from employers or workers or both. Unemployment benefits and taxation became quite uneven across the states, and it remained difficult to pool risks of economic downturns on a national basis or to coordinate unemployment benefits with Keynesian demand management. Despite efforts in the 1930s and 1940s to nationalize unemployment insurance and join its operations to various measures of public economic planning, no such explicit joining of “social” and “economic” policy developed in the postwar United States.

Public assistance under the Social Security Act was administered through a set of programs already existing in certain states by the early 1930s, for which the federal government would henceforth share costs. Assistance for the elderly poor and for dependent children (previously “mothers’ pensions”) were the most important programs to receive new

federal subsidies. Free to decide whether they would even have particular programs, the states were also accorded great discretion to decide matters of eligibility and benefits and, in practice, methods of administration. Over time, as old-age insurance expanded to cover virtually all retired employees in the United States, federal old-age assistance became proportionately less important than it was originally. Meanwhile, by the 1960s, the Aid to Dependent Children program (now Aid to Families with Dependent Children [AFDC] providing benefits to caretakers as well as the children themselves) expanded enormously with a predominantly female adult clientele. Labeled “welfare,” AFDC has very uneven standards of eligibility, coverage, and benefits across the states, generally providing the least to the poorest people in the poorest states and leaving many impoverished men and husband-wife families without any coverage at all.

Since 1935, the one program originally established on a purely national basis, contributory old-age insurance, has usurped the favorable label “social security” that once connoted the whole and has become the centerpiece of U.S. public social provision. Payroll taxes are collected from workers and their employers across the country. Ultimately, retired workers collect benefits roughly gauged to their employment incomes, with some redistribution toward the low-wage contributors to the system. After 1935, additional programs were added under this contributory insurance rubric: for surviving dependents in 1939; for disabled workers in 1956; and for retirees in need of medical care in 1965. Equally important, “social security” grew in coverage and benefits, as more and more employees and categories of employees were incorporated during the 1950s and benefit levels were repeatedly raised by Congress. By the 1970s, the United States, uneven and often inadequate in the help provided to unemployed and dependent people, had nevertheless become reasonably generous in the benefits offered to retired people of the working and middle classes.

“Welfare” became an explicit area of U.S. political controversy and policy innovation only during the 1960s, when the War on Poverty and the effort to create a “Great Society” were declared. For the first time since 1935, major new programs of needs-tested public assistance were established in the form of in-kind aid through Food Stamps and Medicaid. In 1972, moreover, old-age and other assistance programs (originally established as federal programs under Social Security) were nationalized, ensuring more standardized benefits. Still, the much larger AFDC program remained federally decentralized—and standards for other benefits, such as medical care, are often tied to this uneven standard bearer of the American welfare system. In turn, U.S. welfare remains, as always, both institutionally and symbolically separate from

national economic management, on one hand, and from non-means-tested programs benefiting regularly employed citizens, on the other.

EXISTING THEORIES AND THEIR SHORTCOMINGS

Among those seeking to understand the development of social policies in the United States, several approaches currently hold sway. Each offers insights but falls short of offering fully satisfactory explanations of the historical phases and policy patterns just reviewed.

One school of thought can be dubbed the *logic of industrialism* approach (e.g., Cutright 1965; Wilensky and Lebeaux 1965; Wilensky 1975, chap. 2) because it posits that all nation-states respond to the growth of cities and industries by creating public measures to help citizens cope with attendant social and economic dislocations. Once families are off the land and dependent on wages and salaries, the argument goes, they cannot easily cope with disabling accidents at work or with major episodes of illness, unemployment, or dependent elderly relatives unable to earn their keep. Social demand for public help grows, and all modern nations must create policies to address these basic issues of social security without forcing respectable citizens to accept aid under the demeaning and disenfranchising rules of traditional poor laws.

Plausible as this sounds, recent cross-national studies on the origins of modern social insurance policies have demonstrated that urbanization and industrialization (whether considered separately or in combination) cannot explain the relative timing of national social insurance legislation from the late nineteenth century to the present (see Flora and Alber 1981; Collier and Messick 1975). The United States in particular does not fit well into the logic of industrialism schema. Not incidentally, proponents of this perspective have tended to include data for “the U.S. case” only when doing cross-national analyses of social insurance for the period after 1935. Before the 1930s, the United States is an awkward outlier: This country was one of the world’s industrial leaders, yet “lagged” far behind other nations (even much less urban and industrial ones) when it came to instituting public pensions and social insurance. Nor does this perspective help us to understand why the United States prior to 1935 emphasized public social provision first for veteran soldiers and then for mothers but not for working men.

Another school of thought—let us call it the *national values* approach—accepts many underlying dynamics posited by the logic of industrialism argument but introduces a major modification to explain why some nations, such as Bismarck’s Imperial Germany in the 1880s, initiated modern social policies at relatively early stages of urbanization and industrialization, whereas others, most notably the United States,

delayed behind the pace of policy innovation that would be expected from the tempos of urbanization and industrialization alone. The answer, say proponents of this approach (e.g., Grønberg, Street, and Suttles 1978; Kaim-Caudle 1973; King 1973; Rimlinger 1971), lies in the values and ideologies to which each nation's people adhered as urbanization and industrialization gathered force. Cultural conditions could either facilitate or delay action by a nation-state to promote social security, and cultural factors also influenced the shape and goals of new policies when they emerged. Thus Gaston Rimlinger (1971), one of the ablest proponents of the national values approach, argues that early German social insurance policies were facilitated by the weakness of liberalism and the strength of "the patriarchal social ideal" and "the Christian social ethic" in nineteenth-century Germany (p. 91). In the United States, however, laissez-faire liberal values were extremely strong and a "commitment to individual achievement and self-help" led to a "tenacious" "resistance to social protection" (Rimlinger 1971, 62).

Like the logic of industrialism approach, the national values school fails to notice, let alone explain, U.S. Civil War benefits or social policies for mothers and children. These approaches focus solely on modern social insurance and old-age pensions. Yet even here, general deductions from national values simply cannot give us adequate answers to many crucial questions about timing and programmatic structure.

Laissez-faire liberal values were in many respects more hegemonic and popular in nineteenth-century Britain than they were in the nineteenth-century United States, yet in the years before World War I, Britain enacted a full range of social protective measures, including workers' compensation (1906), old-age pensions (1908), and unemployment and health insurance (1911). These innovations came under the auspices of the British Liberal Party, and they were intellectually and politically justified by appeals to "new liberal" values of the sort that were also making progress among educated Americans around the turn of the century. Under modern urban-industrial conditions, the "new liberals" argued, positive governmental means must be used to support individual security, and this could be accomplished without undermining individuals' dignity or making them dependent on the state. If British liberals could use such ideas to justify both state-funded pensions and contributory social insurance this way in the second decade of the twentieth century, why couldn't American progressives do the same? In both Britain and the United States, sufficient cultural transformation within liberalism had occurred to legitimate fledgling welfare states without resort to either conservative-paternalist or socialist justifications (see Orloff and Skocpol 1984 for further elaboration of this argument).

Then, too, when American "New Dealers" of the 1930s at last successfully instituted nationwide social protections justified in "new liberal" terms, why did they end up with the specific array of policies embodied in the Social Security Act? Why was health insurance left aside, despite the availability of liberal rationales for it just as good as those put forward for unemployment and old-age insurance? And why did the public assistance programs subsidized under Social Security actually cement the dependence of many individuals on the arbitrary discretion of state and local authorities, rather than furthering individual dignity and the predictable delivery of citizen benefits as a matter of "rights"? A final query is perhaps the most telling: Given the clear value priority that Americans have always placed on individuals getting ahead through work, why did the New Deal as a whole fail to achieve proposed measures to guarantee jobs for everyone willing to work? Arguably, the social security measures that were achieved were less in accord with long-standing American values than governmental commitments to full employment would have been.

Arguments stressing the impact of either industrialism or national values on social policy development tend to downplay political struggles and debates. During the past fifteen years, however, many historians and social scientists have analyzed the political contributions of capitalists and industrial workers in shaping patterns of social policy since the 1930s in the capitalist democracies. As part of this trend, two sorts of class politics perspectives have been applied to American social politics: One highlights what is called "welfare capitalism," and the other stresses "political class struggle" between workers and capitalists.

Proponents of the *welfare capitalism* approach (e.g., Berkowitz and McQuaid 1980; Domhoff 1970; Ferguson 1984; Quadagno 1984) take for granted that corporate capitalists have dominated the U.S. political process in the twentieth century, and they look (in various ways) for economically grounded splits between conservative and progressive capitalists as the way to explain social policy innovations. Early in this century, the argument goes, certain American businesses preceded the public sector in evolving principles of modern organizational management, including policies for stabilizing and planning employment and protecting the social welfare of loyal employees. Prominent "welfare capitalists" then pressed their ideas upon policy intellectuals and public officials, so that public social insurance measures in key states and at the federal level were supposedly designed to meet the needs of progressively managed business corporations.

This perspective has served as a good lens through which to view the complementarities that have sometimes developed between public social policies once enacted—and the labor-management practices of Ameri-

can corporations. For example, many American corporations accommodated nicely to Social Security's contributory old-age insurance program, meshing it with their own retirement benefits systems, especially after World War II. But business groups originally opposed the passage of the Social Security Act as well as the passage of most earlier and later federal or state-level social and regulatory measures applicable to men or women workers. However adaptable American capitalists have proven to be after the fact, the historical evidence is overwhelming that they have regularly fiercely opposed the establishment of public social policies. Political processes other than the initiatives of capitalists have nearly always been the causes of U.S. social policy innovations.

The other class politics perspective takes for granted that capitalists everywhere tend to oppose the emergence and expansion of the welfare state. This "social democratic" or *political class struggle* approach has predominated in recent cross-national research on the development of social policies in Europe and the United States (see Bjørn 1979; Castles 1978, 1982; Esping-Andersen 1985; Korpi 1983; Myles 1984; Shalev 1983; Stephens 1979). No attention is paid by these theorists to early U.S. social provision for Civil War veterans, and their worker-centered definitions of modern social provision prevent them from analyzing pioneering U.S. social spending and regulations for mothers and women workers. To explain why American public social provision for working men commenced later and has not become as generous as European public social provision, this approach underlines the relative weakness of U.S. industrial unions and points to the complete absence of any labor-based political party in U.S. democracy. Given these weaknesses of working-class organization, proponents of this approach argue that U.S. capitalists have been unusually able to use direct and indirect pressures to prevent governments at all levels from undertaking social welfare efforts that would reshape labor markets or interfere with the prerogatives or profits of private business. Only occasionally—most notably during the New Deal and afterwards through the liberal wing of the Democratic Party—have American workers or unions been able to muster sufficient strength to facilitate some innovations or expansions of public social provision.

Certainly, this emphasis on political class struggle between workers and capitalists helps to explain why the United States has not developed a comprehensive full-employment welfare state along postwar Scandinavian lines. Nevertheless, if our intention is not merely to contrast the United States to Europe since World War II but to explain the phases and specific patterns of U.S. social policies since the nineteenth century, then the political class struggle approach is insufficient in several ways. Strict attention to political conflicts of interest between cap-

italists and industrial workers deflects our attention from other socioeconomic forces that have intersected with the U.S. federal state and with decentralized American political parties to shape social policy making. Until very recently, agricultural interests in the South and the West were crucial arbiters of congressional policy making. Associations of middle-class women were crucial—and often successful—proponents of social provision for women and children during the early twentieth century. And struggles over social welfare or labor market interventions have often involved regional, ethnic, and racial divisions. We need a mode of analysis that will help us understand why social identities and conflicts grounded in gender, ethnicity, and race have been equally or more telling than industrial class conflicts in the shaping of social provision in the United States.

Political class struggle theories have been argued with certain state and party structures in mind, namely, centralized and bureaucratized states with parliamentary parties dedicated to pursuing policy programs in the name of entire classes or other broad, nation-spanning collectivities. For much of Europe, the existence of such features of political organization has given substance to the presumption that the industrial working class may translate its interests into social policies, whenever "its" party holds the reins of national power over a sustained period. But of course the United States has never had a centralized bureaucratic state or programmatic parliamentary parties. Thus the American case highlights the importance of bringing much more explicitly into our explanations of social policy making the historical formation of each national state—as well as the effects of that state's institutional structure on the goals, capacities, and alliances of politically active social groups.

U.S. STATE FORMATION AND PATTERNS OF SOCIAL PROVISION

"State formation" includes constitution making, involvements in wars, electoral democratization, and bureaucratization—large scale historical processes, in short, whose forms and timing have varied significantly across capitalist industrializing countries. In sharp contrast to many European nations, the United States did not have a premodern polity characterized by monarchical absolutism, a locally entrenched standing army and bureaucracy, or recurrent mobilization for land warfare against equal competitors. Instead, the American colonies forged a federalist constitutional republic and (after some years of continued sparing with Britain) the fledgling nation found itself relatively geopolitically sheltered and facing toward a huge continent available for conquest from militarily unformidable opponents. Wars have never had

the same centralizing effects for the U.S. state as they have had for many European states, in part because America's greatest war was about itself and also because mobilization for the two world wars of the twentieth century relied heavily on the organizational capacities of large business corporations and trade associations (Cuff 1973; Vatter 1985). Only after World War II, when the United States took on global imperial functions, did a federal "military-industrial complex" emerge, nourished by the first persistence into peacetime of substantial direct federal taxation.

The American Revolution was a revolt not only against the British Empire but against any European-style notion of concentrated political sovereignty—whether focused in a supreme parliament, as in Britain after the English Revolution, or in an official bureaucracy built up under absolute monarchy, as in much of Continental Europe. After years of political skirmishes between colonists and royal governors, a confederation of thirteen colonies separated Americans from Britain; then the founding fathers sought to cement a precarious national unity by designing a new federal government. Under the Constitution adopted in 1788, the powers of the states and the central government were carefully divided and balanced against one another in a "compound" arrangement (Scheiber 1978) that left many ambiguities for the future, while the new rules for the federal government spread cross-cutting responsibilities among Congress, the president, and a system of courts. In the words of Samuel P. Huntington (1968), "America perpetuated a fusion of functions and a division of power, while Europe developed a differentiation of functions and a centralization of power" (p. 110).

Americans looked to "the Constitution" and "the rule of law," as the loci of fundamental sovereignty. Especially in pre-Civil War America, these functioned as a "roof without walls" in the apt words of John Murrin (1987), as "a substitute for any deeper kind of national identity" because "people knew that without the Constitution there would be no America" (pp. 346-47). Although never-ending rounds of legislation in Congress and the states expressed shifting sets of special interests, the sovereign ideals of constitutionalism and the rule of law could reign impersonally above an economically expansionist and socially diverse country. Only during the Civil War did a Republican-run crusade to save a Northern-dominated nation temporarily transfer the locus of sovereignty to an activist federal government. But even the Civil War did not generate an autonomous federal bureaucracy: The forces of localism, divisions of powers, and distrust of government activism never disappeared, even in the North. The U.S. "Tudor polity" (Huntington 1968) reemerged in full force after the Southern states rejoined the union in the 1870s.

It will not do, however, to leave the matter here, stipulating that Europeans had concentrated sovereignties and a sense of "stateness" while Americans had neither. Stephen Skowronek (1982) places the totality of early American political arrangements in a framework that helps to highlight their distinctive features. Skowronek points out (1982, pp. 19, 24) that America certainly did have a state, both in the sense of "an organization of coercive power" (p. 19) and in the sense of "stable, valued, and recurring modes of behavior within and among institutions" (p. 24):

The early American state maintained an integrated legal order on a continental scale; it fought wars, expropriated Indians, secured new territories, carried on relations with other states, and aided economic development. Despite the absence of a sense of the state, the state was essential to social order and social development in nineteenth-century America. (p. 19)

To be sure, this early American state was not a set of locality-penetrating bureaucracies headed by a monarch or a parliament. Rather, in Skowronek's telling phrase it was a "state of courts and parties" (p. 24). Operating across state and federal levels, courts and parties were the key organizations—and judges and party politicians the crucial "officials in action"—that made up the American state in the nineteenth century: "Party procedures lent operational coherence to the disjointed institutions of the governmental apparatus, [and] court proceedings determined the meaning and the effect of the law itself" (p. 27).

Courts were not very prominent in the original debates over constitutional design, yet as the nineteenth-century progressed they carved out a more authoritative role than the Founders had envisaged or than British courts enjoyed. "There is hardly a political question in the United States," observed Alexis de Tocqueville ([1850] 1969, p. 270) "which does not sooner or later turn into a judicial one." To be sure, early American judges and lawyers needed to adjust English common law precedents to U.S. circumstances, and they had to fend off various movements to codify the laws and reduce judicial discretion. Yet these elites and the courts through which they operated also enjoyed important advantages. They could take advantage of their countrymen's regard for the Constitution and legal procedures as common points of reference in a polity wracked with jurisdictional disputes, where fundamental issues regularly required adjudication. And there was no national civil bureaucracy that could compete with the courts by promoting "the national interest" in a more substantive fashion.

Along with courts, political parties and vocationally specialized partisan politicians became the pivots of the nineteenth-century American polity. Ironically, this happened even though the Constitution made no

mention of them, given that the Founders disapproved “the baneful effects of the spirit of party” (George Washington, as quoted in Wallace 1968, 473). Foreign observers of the actual workings of American government noticed the increasing centrality and distinctiveness of U.S. parties. James Bryce (1895) observed in the 1880s that in “America the great moving forces are the parties. The government counts for less than in Europe, the parties count for more” (p. 5). A description of them is therefore a necessary complement to an account of the Constitution and government since “their ingenuity, stimulated by incessant rivalry, has turned many provisions of the Constitution to unforeseen uses” (p. 3). “The party organizations in fact form a second body of political machinery existing side by side with that of the legally constituted government” such that “the whole machinery, both of national and of state governments, is worked by the political parties” (Bryce 1893, 6). American parties, Bryce (1893) noted, “have been organized far more elaborately than anywhere else in the world, and have passed more completely under the control of a professional class” (p. 6).

The regular American parties of the nineteenth century managed the complex, never-ending processes of nominations and elections for local, state, and national offices. Party conventions became the typical means for nominating candidates, and the nineteenth century’s frequent elections required that party supporters be kept in a high state of enthusiasm and readiness through canvasses and rallies. Crucially, from the Jackson era through the end of the century, parties also controlled the staffing and functioning of public administration in the United States (Shefter 1978). Administrative staffing through patronage was complementary to the intensified electoral activities of the new political parties. The opportunity to control the allocation of public offices inspired party cadres and allowed national and state party brokers to offer local loyalists influence over appointments allocated from their levels of government. In turn, public officeholders were highly motivated to contribute portions of their salaries and their time to foster the popularity of their party, for only if their party won the next election would their jobs be safe. Otherwise, the opposite party and all of its appointees would claim the “spoils of office.”

Once in place by the 1840s, the parties and their managers proved remarkably resilient, dominating U.S. politics and knitting together the branches and levels of the “Tudor polity” throughout the nineteenth century (Keller 1977; McCormick 1986). The local roots of the parties sunk deep into particular neighborhoods; yet party efforts simultaneously spanned localities within states and, to a remarkable degree, reached across the nation as a whole. Certainly, the party organizations were not top down hierarchies; rather, they were ramified networks

fueled by complex and shifting exchanges of favors for organizational loyalty. As such, however, they successfully linked local to state politicians and kept state politicians in touch with one another and with whatever national officeholders their party might have.

Not until the twentieth century—decades after electoral democratization and well after capitalist industrialization had created private corporate giants operating on a national scale—did the U.S. federal, state, and local governments make much headway in the bureaucratization and professionalization of their administrative functions (Shefter 1978; Skowronek 1982). With the greatest changes coming first at municipal and state levels, bureaucratic-professional transformations happened piecemeal through reform movements spearheaded by the new middle classes. As the various levels of government were thus partially reorganized, the fragmentation of political sovereignty built into U.S. federalism and into the divisions of decision-making authority among executives, legislatures, and courts was reproduced in new ways throughout the twentieth century. American political parties have remained uncoordinated in their basic operations, and in many localities and states, the major parties uneasily combine patronage-oriented and interest-group-oriented modes of operation (Mayhew 1986). Within the federal government, Congress, with its strong roots in state and local political establishments, has remained pivotal in national domestic policy making—even during periods of strong executive initiative such as the New Deal, the two world wars, and the Cold War (Amenta and Skocpol 1988; Fiorina 1977; Grodzins 1960; Huntington 1973; Patterson 1967).

The patterns of U.S. state formation just summarized have conditioned social policy making from the nineteenth century to the present. We can briefly survey some of the most important ways in which this has happened.

Early democratization of the U.S. white male electorate ensured that masses of ordinary Americans could support public schooling as a right of democratic citizenship rather than warily opposing educational institutions imposed from above by officials and upper classes, as happened in Europe (Katznelson and Weir 1985, chap. 2). In the United States, moreover, no national bureaucracy existed to regulate, finance, or serve as a central magnet for educational development, and no single dominant church served as a prop of a counterweight to the state. Thus local and voluntary forces, including Catholic parishes and a multiplicity of Protestant and Jewish sects, took more initiatives than they did in other nations. In a democratic political context, “participatory localism” encouraged many such groups to support free public schools, while others built and defended private schools. Decentralized federalism allowed local, state-level and private initiatives to compete with one another—and

often to imitate one another as well, in waves of analogous institution building. The result was the world's first system of mass primary and secondary schooling.

In addition, nineteenth-century America's nonbureaucratic and party-centered patronage democracy had a strong proclivity for legislative enactments that would distribute material benefits to many individuals and local communities within the major party coalitions (McCormick 1979). In the context of close electoral competition between the Republicans and the Democrats between 1877 and 1896, patronage democracy fueled the expansion of *de facto* disability and old-age benefits for those who could credibly claim to have served the Union forces during the Civil War. The Republican Party, especially, enjoyed advantages from expanding access to Civil War pensions (McMurtry 1922; Sanders 1980; Bense 1984, chap. 3). That party could simultaneously promote high tariffs, with benefits finely tuned to reach groups of businesses and workers in various Republican areas of the country, and generous pensions, which spent the "surplus" revenues raised by the tariffs disproportionately on townsmen, farmers, and skilled workers who were also concentrated in Republican-leaning areas of the North. Moreover, during crucial, close-fought elections, the Republicans manipulated the processing of pension applications through the federal Bureau of Pensions in attempts to influence the Republican vote in such tightly competitive states as New York, Ohio, and Indiana.

Once American government began to bureaucratize and professionalize, the surviving structures of patronage democracy and elite perceptions of "corruption" in the Civil War pension system discouraged U.S. progressive liberals from supporting the generalization of veterans' benefits into more universal old-age pensions or working men's social insurance. The absence of strong civil service bureaucracies made it impossible for U.S. advocates of contributory social insurance to imitate the strategies of contemporary British social insurance advocates, who devised plans within national ministries and then persuaded parliamentary politicians to enact them. What is more, progressive reformers were preoccupied with building bureaucratic regulatory agencies that could circumvent the control of patronage-oriented political parties, and they feared that any new forms of public social spending directed at masses of voters would only reinforce party patronage (Orloff and Skocpol 1984; Skocpol 1992, chap. 5). The only way that social welfare reforms could be enacted in the United States during the early twentieth century was through waves of similar legislation across many of the state legislatures. But policies that would have entailed new public spending for male voters could not get enthusiastic support from nation-spanning groups active in reformist politics during this period.

Finally, the U.S. state and federal courts also discouraged regulations

for working men. Prior to the 1930s, most U.S. courts invoked constitutional principles of "free contract" and "due process" for private property holders to overrule protective labor laws covering adult male workers. Frustrated reformers responded by channeling most of their efforts for regulatory reforms toward protective labor laws covering women workers alone (Skocpol and Ritter, 1991, 56-62). From the time of the 1908 "Lochner" decision, American courts allowed many such laws regulating female labor to stand. Judges accepted the arguments put forward by reformers and women's groups that governments possessed legitimate "police power" to protect future "mothers of the race" from overwork.

During the New Deal and in its aftermath, the United States finally launched nationwide public assistance and social insurance measures, including policies for working men and the elderly. Nevertheless, the Social Security Act was rooted in prior state-level laws or legislative proposals under active debate in the 1930s; and congressional mediation of contradictory regional interests ensured that national standards could not be established in most programs (Skocpol and Amenta 1985). Subsequently, American national mobilization for World War II—a mobilization less total and centrally coordinated by the state than the British mobilization for the same war—did not overcome congressional and local resistance against initiatives that might have pushed the United States toward a nationalized full-employment welfare state. Instead, this pivotal war enhanced federal fiscal capacities and created new possibilities for congressionally mediated subsidies and tax expenditures but did not permanently enhance public instrumentalities for labor market intervention or executive capacities for coordinating social spending with macroeconomic management (Amenta and Skocpol 1988).

Basic structural features of the U.S. state have thus powerfully set overall institutional limits for social provision in the United States. Yet fundamental patterns of state formation are only the starting point for analysis. In addition, political struggles and their policy outcomes have been conditioned by the institutional leverage that various social groups have gained, or failed to gain, within the U.S. polity. By analyzing ways in which America's distinctive state structure has influenced possibilities for collective action and for political alliances among social groups, we can go even further toward explaining the phases and patterns of U.S. public social provision from the nineteenth century to the present.

U.S. INSTITUTIONS AND SOCIAL GROUPS IN POLITICS

America's precociously democratized federal polity has always made it difficult for either capitalists or industrial workers to operate as a uni-