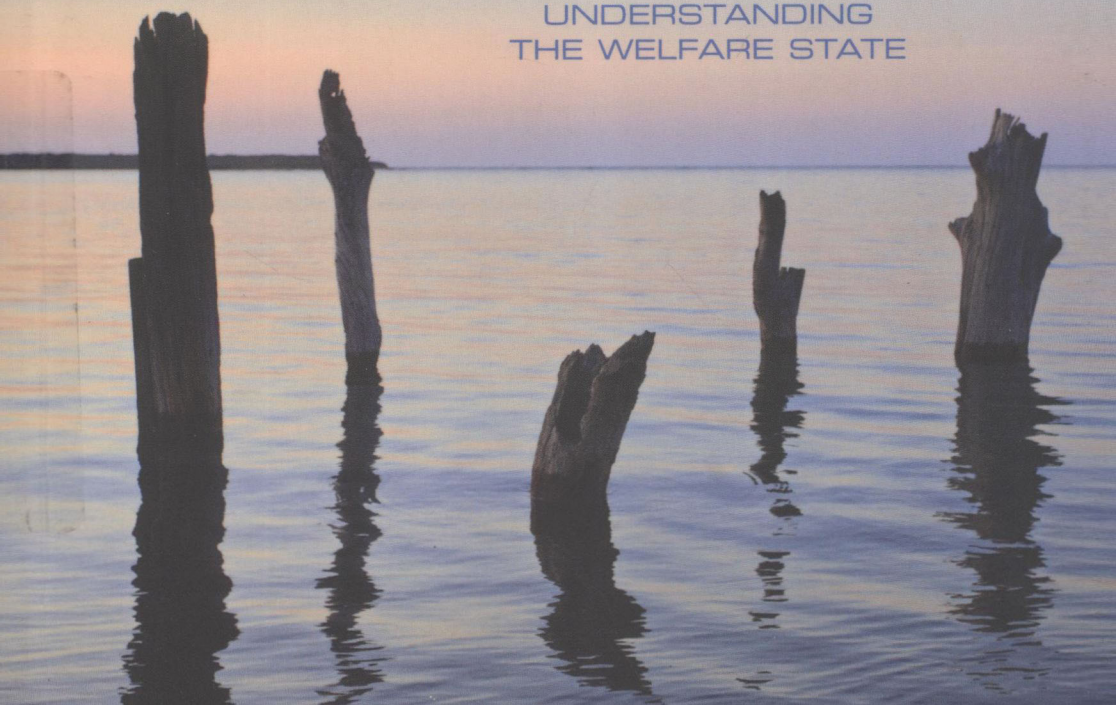


POLITICAL SOCIOLOGY SERIES

Daniel
Béland
**WHAT IS
SOCIAL
POLICY?**

UNDERSTANDING
THE WELFARE STATE



What is Social Policy?

Understanding the Welfare State

Daniel Béland



polity

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What is Social Policy?

Preface & Acknowledgements

What is social policy? Why do we have large social programs, and why are some of them politically controversial? How do these programs affect individuals and families? How and why are American social programs different from the ones available in other developed nations? What is the future of the welfare state, exactly? Finally, why does it matter to you? These are the questions at the center of this short political sociology book, which is grounded in a comparative perspective while focusing on the United States.

I wrote this book because I wanted to share some basic ideas about social policy with a broader audience than the people who typically read journal articles and research monographs. Social policy is a complex field, but this book had to be very concise, which means that I only surveyed a limited number of relevant issues. I did my best, however, to cover some of the major social policy debates of our time in order to help people grasp the “big picture.” No survey is ever complete, but I spent much time exploring issues about which I felt readers may want to know. Readers familiar with my other publications will recognize some of my favorite themes and examples; nevertheless, I have also addressed many new problems I find essential for readers to know about. This is a scholarly overview, but I hope that it is accessible enough to help many different people think about important social policy issues.

Many people helped me write this book. First, I would like

Preface & Acknowledgements

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Introduction

From health-care to unemployment insurance and old-age pensions, the welfare state is a significant aspect of our lives. For instance, when a major recession hit the United States in 2008, millions of Americans realized how unemployment benefits are important to helping people bounce back after they lose their job. Moreover, when they grow old, most citizens are glad that they can count on programs like Medicare and Social Security. Not only are we all likely to depend on a social program at some point in our existence but, as workers and taxpayers, we help finance social programs with our payroll contributions and when we pay income tax. Although economically vulnerable people rely more on social programs than better-off citizens do, social policy is not just for the poor (Rosner 2003:3). In the United States, the vast majority of elderly people, even wealthier ones, receive Social Security benefits. Beyond public social programs like Social Security, private benefits also play a major role in social policy. This is especially true in the United States, where private health insurance and old-age pensions are widespread but unequally distributed. Interestingly, even such private schemes are related to state action,¹ because tax incentives and regulations shape their development. But social policy is not simply about the state; major civil-society actors, ranging from business organizations and religious groups to labor unions and women's groups, are involved in social policy debates. And, even if these policy debates may sound overly technical, they generally raise major political and social

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issues like the enduring nature of class, gender, and racial inequalities. This is what makes social policy, as a field, an intriguing lens through which we can analyze key social trends and political struggles – and the historical forces underpinning them. Knowing about the long history of modern social programs in the United States, and elsewhere, is necessary for understanding why we have our current social programs and how those programs could evolve over the next few decades. Social policy is both a controversial topic and a fragmented landscape, and every citizen should know how it works, why it is there, and why they should care. At the broadest level, this is what you will learn from this book.

What is This Book About?

This book is a concise political and sociological introduction to social policy, one that takes both a comparative and a historical perspective on the American welfare state.² To understand what is going on in the United States, it is necessary to know about social programs in general and about the experience of other countries in particular. This is true for two main reasons. First, because developed countries face the same basic economic, social, and political challenges, we need the “big picture” in mind to grasp how they respond to these challenges by making specific political choices. At a time when globalization is such a significant issue, this “big picture” is necessarily international in nature. Second, comparing the United States with other countries that share a similar level of economic development is crucial for recognizing what is both common and unique to the modern American welfare state. There is a great deal of talk about “American exceptionalism,” but only a comparative and an international approach can help locate the United States within the contemporary developed world, and put into perspective the policy choices made in that country. In short, this book was written to help you better understand the nature of the welfare state and what is specific about the United States in terms of its social programs and the political struggles over them.

Before going any further, it is worth noting what this book is

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not about. First, it is not a detailed description of the major social programs that exist today in the United States and in other developed nations: for example, it does not enumerate policy details that are easily available on government websites. Yet, in order to understand the politics of the welfare state, we need to know how social programs work and how some of their key characteristics can affect the social and political mobilizations surrounding them. Second, it is not a detailed study of the history of the American welfare state. Many books are available on this topic, including those devoted to specific issues and programs such as Medicare, Social Security, and welfare reform (e.g., Achenbaum 1986; Berkowitz 1991; Oberlander 2003; Quadagno 1994). Drawing on this scholarship, this book simply attempts to help you grasp some of the major moments in the political history of the American welfare state, which is full of interesting twists and turns. Finally, it is not a look at the future of social policy that tells you what should be done and what is right or wrong. Obviously, no author is truly “neutral” and, when writing about the historical and political fate of social programs, I have an opinion about the core policy issues addressed in this book. For instance, I believe that the state must play a major role in society, something that libertarians object to. But, although my book is not devoid of policy opinions, no bold political stance on the issues of the day has been taken.

After reading this book, you will probably have a better idea about how the welfare state and the political battles over it take shape, which, in turn, can help you take a more enlightened stance in today’s debates on the future of social policy in the United States and around the world. Perhaps as important, you will also learn how social scientists, especially sociologists and political scientists, analyze welfare state politics. Good research on social policy is not purely technical. Going well beyond the description of how programs operate, it enhances our knowledge of the social and political forces that shape our world. This is another way to say that good social policy research is good social science research. The goal of this book is to help you increase your understanding of how politics, especially the struggles over citizenship, inequality, and redistribution, impacts our lives. More specifically, this book

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is about helping you understand why national welfare states are different from one another, and how it can and does matter every day for millions and millions of people.

Overview

At heart, this book is a sociological and political introduction to social policy, but it does put forward a number of claims about the nature of social programs and the theories of welfare state development and restructuring. To stress the most important of these claims, and to keep the “big picture” in mind, what follows is a concise, chapter-by-chapter overview of the book, which should help map the complex issues raised throughout it.

The first thing to know about social policy is the various roles social programs can play in society. Why social policy, exactly? The first chapter begins by addressing this question, the answer to which is not as simple as you might think. Instead of having only one goal, social programs can simultaneously pursue several objectives, such as fighting poverty, reinforcing citizenship through inequality reduction, and emancipating workers and citizens from market dependency. To add to this plurality of policy goals, there are different types of social programs that operate according to distinct fiscal and political logics. For instance, a substantial gap exists between targeted social assistance programs for the poor and social insurance programs that cover the vast majority of the population. Finally, because the term “social policy” refers to programs ranging from health-care services to unemployment benefits and old-age pensions, the objectives and nature of social programs vary significantly from one policy area to another. As argued in Chapter 1, understanding key differences between policy areas is a major task of social policy research; so, even before we start comparing countries, we must recognize the diversity of programs and policy areas that often exist within the same country.

Once major policy goals, types of programs, and policy areas have been mapped, it is much easier to assess the systematic comparative and international perspectives available to identify what

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is specific about the American welfare state. In the world of social policy, as elsewhere, being aware of the prevailing situation in other countries is the best way to recognize what is common and what is really specific about your country. An interesting analytical device for mapping the international social policy landscape is the concept of welfare regime, which is discussed in Chapter 2. Although this device can be misleading, when used with caution it remains a useful tool for identifying broad country clusters. For example, knowing that the United States is the best example of the “liberal welfare regime” leads us to other countries associated with this cluster, especially the United Kingdom and Canada. In policy areas such as old-age pensions, these three countries share an extensive reliance on private social benefits, a key aspect of social policy debates in the United States. This is why, in the second section of Chapter 2, the fragmentation of these private benefits and the indirect fiscal and regulatory roles of the state in this area are discussed at length. Paradoxically, because the state plays such a dominant role in setting and overseeing the development of private social benefits, these benefits are seldom purely “private.”

Overall, the discussion on welfare regimes and private benefits stresses the relationship between inequality and social policy, a relationship that is not only about class but also about gender, race, and ethnicity. For instance, in the United States, in a context of historically rooted patterns of discrimination and inequality, African-Americans and Hispanics are typically less affluent and more vulnerable economically than the average population, which has crucial social policy consequences, especially because the welfare state can both reflect and challenge existing social inequalities. In fact, variations from one country to another, and even from one policy area to another in the same country, are tied to enduring patterns of inequality that social programs either challenge or reinforce, depending on the policy choices that are made.

In the last section of Chapter 2, the argument is made that key institutional differences between countries in the territorial organization of the welfare state can have a strong impact on the politics of social policy, which partially reflects the geographical

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distribution of inequalities. Recognizing that both inequalities and social programs have significant territorial implications is especially critical for analyzing the politics of the welfare state in a federal country such as the United States. Yet, saying that the United States is a federal country does not mean much from a comparative standpoint, as the nature of federal institutions is unique to each federal system. As evidenced here and in other chapters, comparing the United States with its federal neighbor Canada is particularly useful for identifying some of the original features of the American welfare state. Other scholars have demonstrated interest in the Canadian experience for the comparative study of “American exceptionalism” (Banting, Hoberg, and Simeon 1997; Boychuk 2008; Lipset 1990; Maioni 1998; Théret, 1999), and this book simply follows their path.

Taking a comparative approach to the welfare state is necessary. But, to grasp the politics of social policy and today’s social challenges, it is not enough to just compare the United States to other countries – we need to supplement our comparative analysis with historical research. In the social sciences and social policy research, historical and comparative perspectives are intimately related, especially in the case of sociology and political science (e.g., Amenta, Bonastia, and Caren 2001). More than a century ago, Max Weber (1978; 2003), who is widely recognized as a founder of both disciplines, spelled out the need to take both a historical and a comparative perspective in order to understand the modern world. The welfare state is a major aspect of that world because it is closely related to broad historical and social processes, such as the rise of capitalism and the expansion of the modern state. Furthermore, recent scholarship suggests that it is sometimes impossible to explain major policy developments without paying close attention to the timing and sequence of historical events that have led to the outcome we seek to explain (Pierson 2004). This is yet another reason to recognize that, under many circumstances, the present is difficult to grasp without a profound knowledge of the past. At the same time, it is less about learning a few dates by heart than it is about having the “big picture” in mind while identifying potential causal factors that may have driven the changes

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we seek to explain. In other words, we can understand better about the past using systematic theories.

Theoretical frameworks are available to explain major differences between countries that took shape over time. Thus, following a brief overview of the history of modern social policy in Europe and the United States, Chapter 3 examines the theories of welfare state development that are used to explain major cross-national differences in the emergence of modern social programs throughout the twentieth century, especially during the three decades of economic prosperity after World War II (1939–45). These theories focus on four sets of factors: economic and demographic change; labor mobilization; political institutions; and culture and ideas. Although described as competing against one another to explain historical and political differences between countries, in some cases available theories of welfare state development complement one another (Myles and Quadagno 2002). This claim is at the center of Chapter 3, which provides you with the basic time-frame and theoretical tools you need to take a genuinely historical and comparative look at welfare state politics in the United States and other developed countries.

Chapter 4 is devoted to welfare state politics during the last three decades, both in the United States and in other developed countries. As far as social programs are concerned, the economic crisis of the mid- to late 1970s and the subsequent election of conservative leaders such as Margaret Thatcher and Ronald Reagan marked the end of an era of unilateral welfare state expansion. What has occurred since then is more complex than some scholars have argued, in large part because cutbacks and expansion have frequently taken place simultaneously. For example, in the United States, the Clinton years witnessed the end of a major entitlement program (Aid to Families with Dependent Children [AFDC]), the expansion of Medicaid, and even the creation of a new program aimed at increasing health insurance coverage for children (the State Children's Health Insurance Program [SCHIP] now known as CHIP). As suggested in Chapter 4, this example is not unique to the United States; other developed countries have seen cutbacks and progressive restructuring take place, either simultaneously or

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relatively close together. Thus, from an international and comparative perspective, what are the dominant trends in contemporary social policy change? This question is at the center of a debate between those who argue that developed countries are converging toward a common, market-friendly model and those who claim that national differences created during previous historical moments remain strong. Although it is perhaps too early to fully answer the question, Chapter 4 offers a critical overview of the debate on it.

But, you may ask, what about the future? Most social scientists are not good at predicting the future, and this book does not attempt to do that. Instead, Chapter 5 stresses a number of looming issues that are the focus of contemporary debates on the future of the welfare state – issues that may not have always entered mainstream American political discussions in this area but may, at some point, have greater political significance. Mainly, the chapter describes major issues like globalization, growing health-care costs, and rising social inequalities that shape contemporary social policy debates.

Although Chapter 5 and the book as a whole only offer a broad overview of the complex world of social policy, my hope is that, from this, you will gain a better idea of how social programs work, what may explain their development, and what welfare state politics is about. Social programs are a major aspect of our lives as citizens, taxpayers, and workers, and being knowledgeable about these programs is a matter of civic duty and political enlightenment. As evidenced throughout this book, taking a comparative, historical, and political look at social policy is a great way to understand social policy and the welfare state.