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Ideology and Public Policy: Antistatism in American Welfare State Transformation

Henry David Thoreau’s influential essay “Civil Disobedience,” published in 1849, began with a ringing declaration of opposition to government: “I heartily accept the motto, ‘That government is best which governs least’; and I should like to see it acted up to more rapidly and systematically. Carried out, it finally amounts to this, which also I believe—‘That government is best which governs not at all.’ . . . the character of the American people has done all that has been accomplished; and it would have done somewhat more, if the government had not sometimes got in its way.”1 Thoreau’s statement summarizes a central thesis in political theory, what has become a historical constant in the minds of researchers seeking to explain the development and parameters of the American welfare state. This thesis is that any power given to the government is subtracted from the liberty of the governed, a concept best captured by the term “antistatism.”2 Thus, Lipset contends that the United States is dominated by an encompassing liberal culture that honors private property, distrusts state authority, and holds individual rights sacred.3 Similarly, according to Huntington, Americans live by a creed that views government as the most dangerous embodiment of power.4 For Morone, American government is a “polity suspicious of its own state.”5 Hartz, too, asserts that the master assumption is that “the power of the state must be limited.”6

The idea of antistatism as a driving political force was first asserted by socialist theorists at the turn of the twentieth century to explain the seeming absence of working-class radicalism and the lack of a socialist movement or labor party in the United States. Then as the welfare state became the primary site of the civil functions of governments, antistatism

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became the preferred explanation of many historians and social scientists for why the American welfare state was slow to develop, why its array of programs was incomplete (no national health insurance or family allowances), and why the benefits granted were less generous than those of other countries.7 This argument has been a staple across all historical eras. In the Progressive Era, Lubove contends, proposals for state welfare programs failed because an entrenched ethos that “enabled groups of all kinds to exert an influence and seek their distinctive goals without resorting to the coercive powers of government.”8 Then Jacobs argues, “When Medicare was formulated in the early 1960s, politicians and policy specialists responded both to the public’s support for expanding health care and its uneasiness with direct and visible government regulation of the associated costs.”9 In the 1990s, according to Skocpol, President Bill Clinton’s plan for national health insurance was defeated by opponents who were able to convince middle-class citizens that Health Security was “a misconceived big government effort that might threaten the quality of U.S. health care.”10

Although welfare state theorists imply that social programs are constructed around specific core values, they largely ignore how values get integrated into social policy outcomes. In this essay we first describe in a general way how ideology is embedded in conceptions of various welfare-state regime types and describe the particular portrayal of the United States as an archetypal “liberal” welfare state. We next consider various causal explanations regarding the proposed relationship between values and social policies. Finally, we compare the programmatic manifestations of ideology in the United States with two other “liberal” welfare states, Great Britain and Canada, to assess whether the American welfare state is more distinctively antistatist.

Our review of the historical record suggests that the American welfare state has never been as “exceptional” as is often suggested. Further, recent trends in welfare state restructuring toward what Gilbert has termed the “enabling state” (that is, one based on a market-oriented approach that seeks to promote labor force participation and encourage individual responsibility) have shifted social policy in the United States closer to other nations in character.11 We conclude that, although antistatism frequently appears as a theme in political discourse, it does not represent an ideological consensus. Public opinion rarely reflects a clear antistatist consensus, and policy decisions frequently contradict antistatist values. An analysis of changes in U.S. government policy from the 1950s to the 1980s indicates little correspondence between public sentiment for more versus less government and the decisions made by politicians. Although antistatism is often drawn upon to justify particular conservative policy
positions, it cannot be considered a determining political force in and of itself. Rather, we suggest that the concept of antistatism captures distinctive features of American political development, the structure of the state, the character of the labor movement, the racial underpinning of public policy decisions, and the content (but not the outcome) of public policy debates.

Ideology in Welfare State Regimes

The argument that antistatist values have impeded American welfare state development is most explicit in theories of welfare state regimes. The concept of “regime” types is derived from observations of common patterns across nations in the allocation of responsibility for social welfare between the state, the market, and private households. These patterns were established during the period of welfare state formation by various configurations of class politics. In most classification orders, the regime type is determined by the system of stratification the welfare state produces (that is, the extent to which workers are “decommodified” or inequalities are abated). Thus, the key dimension is the redistribution of resources. Yet a persistent, if often implicit, underlying argument running through each classification scheme is a presumed association between a particular welfare state structure and ideology. In some cases, the structure of the welfare state is assumed to produce certain values. For example, Edlund asserts that “different types of welfare state regimes generate different attitude patterns.” In other instances, the causal order is reversed: ideologically-based conflicts and preferences produce different welfare state structures. Thus, Esping-Anderson contends that the institutional characteristics of the welfare state shape public attitudes toward social welfare programs, but also that variations across nations in the configuration of social programs are a product of some characteristic ideological base. The relationships between particular sets of values and welfare state structures are illuminated by examining how each regime type is defined.

Social Democratic Regimes

Social democratic regimes are generally synonymous with the Nordic countries. They are seen as distinctive in their efforts to minimize market dependency and promote status equality. They are predicated on an egalitarian ideology that “believes that only public provision would ensure that all citizens have equal access to benefits of equal value,” but that
also seeks to use welfare state policies to promote cross-class alliances and enhance feelings of social solidarity. Because their objective is to endow all citizens with equal rights, regardless of social class or occupation, they fuse universalism with generous benefits and comprehensive socialization of risks.18

Corporatist Regimes

The second regime type is termed “corporatist.” The corporate regime model was favored by conservative ruling elites in continental Europe who perceived social programs as a way to uphold traditional society. Corporatist welfare became the dogma of the modern Roman Catholic Church and was espoused in two papal encyclicals. In countries where Christian Democrats ascended to power, they became a notable force in the construction of welfare states that incorporated “a philosophy of respect for all classes and transcendence of class conflict in the interest of society as a whole,” although this respect did not necessarily mean all classes were to be treated identically.19 Rather, corporatism emphasizes responsibility for the less fortunate, which as Kersbergen notes, derives from the Catholic interpretation of justice that it is “the duty of the secure to help the poor.”20

Programmatically, corporatist welfare states have been infused with an ideology that blends status segmentation and familism. Status segmentation occurs in programs that differentiate entitlements according to class and status groups. For example, Bismarck’s pension program in nineteenth-century Germany included myriad social insurance schemes, each with its particular rules, finances, and benefit structures. This legacy is perpetuated in the current organization of Germany’s health-care system around employment-based sickness funds.21 Familism is manifested in the corporatist principle of subsidiarity, which asserts that the state should intervene only when the family or voluntary organizations (particularly churches and church-related organizations) cannot meet a social welfare function.22 In keeping with those values, corporatist states are more likely than others to provide direct cash transfers to individuals and families but are less likely to provide public services—such as day care—that might promote the labor-force participation of women.23

Liberal Regimes

The third welfare regime type is the liberal welfare state. Liberalism, in this classic usage of the term, is egalitarian, universalistic, and meliorist. It involves a valorization of the individual, the preservation of individu-
als’ natural rights to freedom and property, and “a central role for the market and voluntary efforts in social provision.” Liberal welfare states are constructed around a set of values that reflect this commitment to individualize risks and maintain voluntarism. The state is assigned limited scope to enforce “those rules necessary to reconcile conflicts among the rights of individuals.” Programmatically, this means that liberal states discourage welfare dependency by relying on social programs with complex eligibility rules such as means testing, residency requirements, and family responsibility clauses. These programs foster competitive individualism and promote private-sector enterprise.

In most welfare-state regime typologies, the United States is seen as the archetypical example of a liberal welfare state, one where social policy plays a residual role that only comes into play when the market and the family fail. It is a nation where “the progress of social reform has been severely circumscribed by traditional, liberal work-ethic norms” and where the state “encourages the market, either passively by guaranteeing only a minimum—or actively—by subsidizing private welfare schemes.” Comparative empirical analyses using measures such as the timing of welfare policy adoption or the level of welfare spending generally confirm this depiction of the United States as an outlier. The question, however, is whether American exceptionalism can be attributed to antistatist values. After all, at key junctures, Americans have transcended their distrust of government and supported policies that expanded state authority. An individualistic ethos did not prevent the United States from developing a massive, universal public education system, deter passage of a comprehensive social security system, or block compulsory health insurance for the aged. Further, the pervasiveness of antistatist sentiments in political debates over the U.S. welfare state does not mean they are a causal force. Values cannot simply be presumed to have some kind of unexplained effect on the policy-making process. As Skocpol argues, “Many scholars who talk about national values are vague about the processes through which they influence policymaking . . . we can surmise that inherited values are thought to influence the actions that political leaders choose to take as well as the ease with which reformers outside government build popular support for proposed new policies.” How, then, do antistatist values shape policy outcomes? In the section that follows, we examine the specific causal processes that are hypothesized to link antistatism to American welfare state development.
Causal Mechanisms

Antistatism Within State Structures

According to one argument, the American state was constructed around an “ideology of statelessness.” In the founding of the nation, debates about what the Constitution should include centered around fears of a tyrannical government controlled from the center. The result was a document that diffused political authority to a degree unmatched in Europe. The Constitution created a weak federal government that gave the sovereign states the right to nullify federal legislation. At the national level, authority was further divided among three branches of government, each with its own independent authority, responsibilities, and bases of support. At the legislative level, authority was split between the House and the Senate as well as numerous committees and subcommittees. The Bill of Rights inserted additional protections against the potential abuse of government power.

The decentralized structure of American government impedes policy innovation by increasing the number of “veto” points (i.e., the courts, the legislative process, the states) where even small numbers of opponents can effectively block policy initiatives and by allowing special interests to exert a unique influence on policy outcomes. Instead of working programmatically through parties, interest groups can lobby individual legislators to support their preferred policies, oppose those that obstruct their agendas or define the issues that legislators interpret to be important in the first place.

There is ample historical evidence of special interests being able to penetrate the state to subvert progressive welfare state reform. In some instances, powerful stakeholders succeeded in blocking proposals for new programs entirely. For example, for the entire twentieth century, coalitions of special interests mustered episodic campaigns to defeat national health insurance, lobbying legislators, cultivating sympathetic candidates through large campaign contributions, and developing new “products” whenever government action seemed imminent. In other instances, programs were shaped in ways that preserved private markets. Examples include Workmens’ Compensation and Medicare, where private insurance companies were authorized to administer the programs.

To the extent that antistatism helped to shape the fragmented, multilayered institutional framework of the American political arena, it is one distant “cause,” manifested through the multiple veto points and opportunities for special-interest intrusion into the political process. In terms
of proximate explanations for particular policy failures, however, one would need to consider whether it is antistatism per se or its symbolic use by elites promoting their particular interests.

Antistatism and Working-Class Mobilization

A second theory asserts that antistatism impeded American welfare state development by shaping the agenda of the working class in different directions than in Europe. According to T. H. Marshall, democratization has proceeded in three stages through a struggle for civil, political, and finally social rights. In Europe, the struggle for civil rights emerged out of a feudal heritage and the experience of serfdom. The transition from servile to free labor introduced the notion of citizenship as the right to pursue the occupation of one’s choice without compulsion. By the beginning of the nineteenth century, the principle of individual economic freedom was accepted as axiomatic. The struggle for political rights was not won for nearly another century. Until nearly the twentieth century, in most European nations only monarchs, bureaucrats, aristocrats, and some men of property could vote. Political democratization in the form of universal suffrage advanced through the dismantling of restrictions on voting based on property rights or literacy and the displacement of constitutional monarchies with representative governments and popular sovereignty. In this process, the modern European state was not viewed as a threat to autonomy but rather as an instrument in the destruction of the ancient social order. In the third stage of democratization, a mobilized working class sought to win social rights in the form of national programs that would provide workers with some immunity from market forces. In the ideal typical case, workers organized into trade unions, formed labor-based political parties, and then used their “power resources” to forge cross-class alliances to expand the welfare state.

The working class in the United States confronted a different problematic than its European counterparts. Even as colonists under British rule when the franchise was based on property ownership, 50 percent to 80 percent of white males were qualified to vote. As property restrictions were liberalized, by the 1880s voting rights for adult white males were nearly universal. Thus, the emancipatory project of gaining citizenship rights in Europe (by necessity, a collective effort) was not a part of the class struggle in the United States. While the European working class regarded the modern state as a key to gaining autonomy, in the United States the state was an instrument of coercion that was used to break strikes and prevent unionization. Suspicion of state power made American trade unions wary of mobilizing for government programs, preferring
instead union-controlled benefits negotiated through collective bargaining. That meant the American labor movement in some instances opposed national legislation and instead sought to build a “private” welfare state that protected union members and reinforced union autonomy. The American Federation of Labor, which represented four-fifths of organized workers by 1904, opposed model bills for state health insurance in the Progressive Era. During the New Deal, the single most important social welfare legislation of the century, the Social Security Act of 1935, was enacted without strong labor backing. Instead, many unions established funds for pensions and health care and a few set up their own health centers through the mid-1940s. After World War II, some unions did support the drive for national health insurance, but for the most part they focused their energies on gaining and then preserving the right to bargain for fringe benefits in their own employment contracts. As Stevens notes, “The political pressure exerted by the American labor movement was a demand for a private alternative to state-run welfare programs.” In the 1990s, the AFL-CIO failed to mobilize on behalf of President Bill Clinton’s Health Security plan and instead devoted its energies and resources to fighting the North American Free Trade Agreement (NAFTA), which the unions viewed as an effort to shift production to low-wage countries with more lax environmental and labor standards.

The preference of union leaders in the United States for political action through an autonomous workers’ politics does not mean that the entire labor movement embraced free-market principles entirely or that it abhorred all state intervention. In the Progressive Era, some state and local labor federations defied the national union leadership and took an active role in supporting social welfare legislation. AFL affiliates in some states joined with the United Mine Workers to press for state old-age pension legislation. In the 1950s and 1960s, the AFL-CIO worked for Disability Insurance and Medicare. In the 1970s, the United Auto Workers resurrected the fight for national health insurance. While it is true that workers’ demands for universalist policies in the United States were neither as early nor as sustained and widespread as their European counterparts, it would be an oversimplification to conclude that antistatism was the primary determinant of labor action.

Racism and States’ Rights

American antistatism is also bound up in racial issues and manifested in the doctrine of states’ rights. The reactionary element in American political thought stems not from feudalism but from slavery. While the North was formally a democracy, in the South black slaves were not considered...
whole persons. A more historically-based interpretation of the Constitution recognizes that it preserved states’ rights as much to protect the institution of slavery as to protect citizens from government tyranny. Following the abolition of slavery in 1865, the principles of states’ rights remained a primary force for preserving white privilege and for maintaining a fixed southern minority and a fixed northern majority in Congress. Until well into the twentieth century, African Americans were denied basic democratic rights—the right to vote, the right to work without coercion, and the right to economic security. The grand movement for civil rights in the United States was not based on class but on race. It occurred in the twentieth century, not the eighteenth, and the revolutionaries were African Americans, not the working class.46

The antistatist, states’ rights agenda of the South impeded the development of the welfare state for the first two-thirds of the twentieth century. This agenda was derived from an agricultural economy dependent on tenant labor—not entirely unlike European feudalism—that was sustained by a sometimes paternalistic system of labor management in which planters would provide tenants various benefits, such as old-age assistance, unemployment insurance of a sort, and medical care, in exchange for loyal service. Because national welfare programs could undermine paternalism and threaten practices that maintained the racial order, southern politicians resisted these threatened intrusions into local practices. For two-thirds of the twentieth century, southern politicians used their power either to bottle up legislation entirely or to demand that new social welfare programs be locally administered.47 At the insistence of southern Democrats, the Social Security Act of 1935 excluded agricultural and domestic workers entirely from the social insurance programs (Social Security, Unemployment Insurance) and allowed local welfare authorities to administer the means-tested programs for the poor (Aid to Dependent Children, Old Age Assistance) through a joint federal-state formula. This association between antistatism and racism was finally disentangled when the civil rights movement successfully challenged the constitutionality of the states’ rights principle.

The question of the American welfare state’s exceptionalism rests, in part, on putative differences between the United States and everyone else. Liberal welfare states clearly differ in structure and intent from social democratic and corporatist states. But the United States is regarded as an outlier—exceptional—even among nations in the “least generous” liberal welfare state regime. That presumption raises two questions. How exceptional is the United States, that is, are its social welfare programs fundamentally different than those of other similar nations? If so, can these differences be plausibly attributed to antistatism? These questions can best
be answered by comparing the United States with two other liberal welfare states, Canada and Great Britain, in terms of the timing, scope, and generosity of social welfare programs. For illustrative purposes, we use public pensions and national health programs to assess the relevance of antistatism in explaining American exceptionalism or indeed to determine the extent to which exceptionalism actually exists.

Is Antistatism More Prominent in the United States?

Modern welfare states originated with the “liberal break” of the late eighteenth century, when paternalistic forms of poor relief were replaced with benefits infused with the concept of the free individual and an emphasis on self-help. By the nineteenth century, liberalism was understood as an ideology of free-market capitalism that supported restraints on the role of the state. Its tangible expression varied but was characterized by a preference for meager, means-tested benefits that promoted the work ethic and self-help.

The Pre–World War II Era

Great Britain was the first among the three “liberal” nations to enact a public national old-age pension. The Old Age Pensions Act (1908) provided pensions for every British resident at age seventy. Excluded were those whose income exceeded a certain amount, those who had “habitually failed to work,” and recipients of poor relief. In 1925 the Widows, Orphans’ and Old Age Contributory Pensions Act created flat-rate, means-tested contributory pensions for workers and survivors payable at age sixty-five. Canada created its first national pension program with the Old Age Pensions Act of 1927 (a joint federal-provincial program), which provided flat-rate, means-tested pensions to individuals over the age of seventy. In the United States, a relatively extensive public pension system for Civil War veterans and widows predated both the British and Canadian programs. Although these pensions did not constitute a formal national pension program, they were fairly widespread, at least throughout the North, dampening demand for benefits based on other criteria. During the Progressive Era, some states enacted old-age pension laws, but they were poorly funded and unevenly available. Not until 1935 did the Social Security Act establish a national old-age pension for industrial workers coupled with a federal/state program of old-age assistance for the elderly poor.

On the surface, the earlier enactment of national pensions in Canada and Great Britain compared to the later enactment of Social Security in
the United States lends credence to the definition of the United States as a welfare state “laggard.” Yet this commonly-drawn conclusion ignores variations among the three pension systems. What is notable, first, is that unlike the means-tested benefits in Canada and Great Britain, the Social Security Act (and amendments to it in 1939) established a comprehensive, social insurance entitlement for retired workers sixty-five and older and their dependents. Although later in timing, the American public pension system was broader in scope, somewhat more generous, and covered a much wider swath of the population than the pre–World War II pension programs of either Canada or Great Britain. If means-testing is a core indicator of antistatism, then early pension policies of Canada and Great Britain appear to be significantly more so than the U.S. Social Security system. What is also significant is that the Social Security Act included means-tested benefits as well as a social insurance scheme, thus creating a two-tier system that would remain an enduring characteristic of the American welfare state.

In the arena of health care, the American Association for Labor Legislation (AALL) waged an effort during the Progressive Era to enact state legislation for compulsory health insurance, but the campaign was thoroughly defeated. Lubove attributes the failure to an entrenched ethos that “enabled groups of all kinds to exert an influence and seek their distinctive goals without resorting to the coercive powers of government.” One might agree that antistatism was the causal force, except that neither Canada nor England, which were both presumably less antistatist, enacted compulsory health insurance during that period. Further, the evidence suggests that the most salient factor in the defeat of the AALL plan was the opposition of physicians, insurance companies, business groups, and labor leaders, who employed antistatist rhetoric but, more important, mobilized their resources to assert their economic interests. Not only is antistatism insufficient to explain the “underdevelopment” of American social welfare during the pre–World War II era, but it not clear that the United States actually was a laggard.

The Post–World War II Era

The ideological foundations of the national welfare states that developed in European countries after World War II represented a break with classical liberal ideology. They were based on a synthesis of individual and collectivist values that retained a concern with individual freedom, but they also recognized the constraints on social conditions that limited choice. In particular, the new liberalism recognized that old-age poverty was less an individual failing than an effect of social and economic conditions. It
viewed contributory social insurance as a mechanism to reduce dependence and reward thrift and hard work and was coupled with a Keynesian commitment to government action to ameliorate inequality and maintain full employment. Both Canada and Britain, but not the United States, expressed this new liberalism in arrangements for national health-care programs that covered their entire populations. It is in the area of health care that the United States presents the most stark exception to this spirit.

Of the three countries, the British National Health Service (NHS) is the most “statist.” It was established under the National Health Service Act of 1946, which created a system of publicly funded, free health-care services that would be run by a central authority. Specialists became employees of the NHS but were allowed to maintain private practices. General practitioners remained independent contractors but derived nearly all of their income from NHS payments.

Canadian arrangements for financing health care were created in two phases. The first public hospital insurance plan was established in 1946 by the province of Saskatchewan; other provinces developed similar plans over the next several years. In 1957 federal legislation provided a framework for federal subsidies to the provinces to establish universal coverage for hospital care, and by 1961 all ten provinces had entered the plan. Government financing of medical services was a more contentious issue because of opposition from Canadian physicians. Although parts of some provinces included physician’s services in their health programs, it was not until 1962 that the first province-wide plan was established. In 1964 a government commission recommended that all ten Canadian provinces adopt similar plans, and two years later a new federal program for medical services was created. By 1971 all provinces had established programs for physician services that met the federal criteria. Legislation that prevented private insurance companies from covering the majority of hospital and physician services, except for supplemental items such as private hospital rooms or prescription drugs, strengthened the public programs.

During the period when Canada and Great Britain were installing universal health coverage, the United States developed an employment-based health insurance system. Private insurance was embedded first, leaving public programs to cover only the high-risk groups—the aged and the disabled (Medicare) and the poor (Medicaid). Private insurers are allowed to use sophisticated forms of medical “underwriting” or using “risk-rating” to set premiums and to skim off the more desirable employee groups and individuals, abandoning the rest, either by refusing to issue policies or by pricing coverage beyond their means. An important caveat is that employment-based health coverage is not inherently antistatist, since other
countries also have used employment as the vehicle for providing health coverage. In these cases, however, coverage is typically mandated and alternative public mechanisms exist to protect people who are detached from the labor force. Private insurance elsewhere is also heavily regulated to prevent insurers from rejecting clients based on health status.

Yet, if health policy in the United States is driven by an antistatist political culture, then it should provide an inhospitable environment for centralized control of health-care spending. Over time, however, provider payment policies in Medicare to control costs have empowered the federal government in ways remarkably similar to policies adopted by other countries. The creation of Professional Standards Review Organizations in 1972 to monitor Medicare hospital admissions, while largely ineffectual, nonetheless established a precedent for government oversight of health-care services. The 1983 amendments to the Social Security Act replaced Medicare’s cost-plus reimbursement formula with a prospective payment system (PPS) that reimbursed hospitals according to fixed-payment schedules for various diagnosis-related groups (DRGs). In 1989 a resource-based relative-value scale (RBRVS) with standardized fee schedules was adopted for Medicare reimbursements to physicians. These payment systems have given the U.S. government control over the flow of most income to providers and ended market pricing of services, hardly an antistatist trend.

Canada employs a variant of a prospective payment system that operates through periodic provincial/hospital contract negotiations over hospital fees. Legislation in 1984 eliminated the small amount of discretion Canadian physicians had over fees by ending the extra billing option that had been used to “top up” public insurance payments for services. In the 1990s, the budgets of provincial governments for physicians’ services were capped. Although the provincial insurance programs operate with a relative degree of autonomy, the Canadian federal government does set a global budget for annual health expenditures, the one mechanism of control that is anathema in the United States.

The expansion of pension rights and health insurance coverage between the postwar years and the early 1970s represented the “golden age” of welfare states, as all nations expanded public programs and extended social welfare protections more generously and for more citizens. Their relative standing gave rise to the classification scheme according to regime types. What is less clear is whether these regime types are still useful for characterizing trends in various countries. Although the United States remained an outlier insofar as health insurance is concerned, Medicare and Medicaid were broadened to include new beneficiary groups. During the same period, the populations covered in both Great Britain and Canada
(with nearly universal coverage of residents in both places) has remained intact, but some previously covered services have been “de-insured.” Further, when both direct and indirect public expenditures are taken into account (total public spending, including tax relief for private pension and health insurance premiums), over time the United States has come to resemble more closely its counterpart nations. The regulatory framework that has been constructed around Medicare, Medicaid, private insurance, and pensions has also moved the United States in similar directions to other national social welfare systems, not only Canada and Great Britain, but other European countries as well. This convergence among the three welfare states is not only inconsistent with an antistatist explanation but also challenges the validity of the regime categories for understanding processes of welfare state restructuring.

Neo-liberalism in Great Britain, Canada, and the United States

In the international context, social welfare spending peaked as a percentage of GDP in the early 1990s. Since then, observers have been struggling to capture the essence of the changes that have been occurring. A consensus seems to be building that the trends of the last decades of the twentieth century represent a neo-liberal restatement of classic liberalism. Neo-liberalism has been oriented toward restraining the growth of the state and restoring market forces through privatization of public benefits and services.

This process of restructuring is best captured by what Gilbert has termed the “enabling state.” The enabling state involves a rejection of the central premises of social insurance with its emphasis on universal access to publicly provided benefits to which workers have an earned right. Rather, it is based on a market-oriented approach that targets benefits to the most needy and seeks to promote labor-force participation and individual responsibility. Programmatically, the transformation has been manifested in an increase in work-oriented policies, a privatization of social welfare, increased targeting of benefits, and a shift away from an emphasis on the social rights of citizenship to individualizing risk. In Sweden, once viewed as the classic social-democratic exemplar, this shift has involved pension reform that reallocates 2.5 percent of the payroll tax contribution from the public system to private individual investment accounts.

Among leaders in liberal welfare states, the antistatist rhetoric and actions of the governments of Prime Minister Margaret Thatcher in Great Britain and President Ronald Reagan in the United States began the transition toward a neo-liberal agenda. In Great Britain, neo-liberalism was
the credo of successive Conservative governments, which launched a series of assaults on universalist programs. Thatcher made retrenching the “nanny state” a core principle of her domestic agenda. Marketlike competition would be injected into NHS practices, the “workshy” (the unemployed, lone mothers) would be encouraged to “make work pay” through reductions in unemployment and antipoverty benefits, and the elderly of the future would be increasingly reliant on private health insurance, but the incentives never caught on and were rescinded in 1997. In Canada, despite some lukewarm attempts to retrench public services and transfers, pensions and national health insurance emerged from the attentions of successive Progressive Conservative governments relatively unscathed, although the generosity and scope of unemployment and antipoverty programs was reduced there, too.71

While historically the rhetoric of the enabling state has been a persistent theme in the United States, policies reinforced this ideology in the 1990s.72 In 1995, Congress funded four experiments in state Medicaid programs for public/private partnerships that gave people who purchased an approved long-term-care insurance policy easier access to Medicaid. These experiments in effect turned Medicaid into a backup reinsurance plan that protected the assets of the elderly and allowed insurance companies to pay a set, predictable cost for care.73 In 1996, Congress also enacted the Personal Responsibility and Work Opportunity Act, which replaced traditional Aid to Families with Dependent Children (AFDC) benefits with Temporary Assistance to Needy Families (TANF). TANF set time limits for receipt of benefits and placed an increased emphasis on transitions to work.74

In 1996, Congress also enacted the Health Insurance Portability and Accountability Act (HIPAA), which contained several provisions to make health insurance more portable for workers changing jobs and to eliminate some of the more egregious practices of the small group insurance market.75 HIPAA spurred the development of the long-term-care insurance market by allowing people who itemize their income taxes to deduct a portion of long-term-care expenses, including long-term-care insurance premiums, and by making employer contributions toward the cost of group long-term-care insurance a tax-deductible business expense. Finally, a prescription drug benefit added to Medicare in 2003 included a measure to encourage the more affluent elderly to buy lower-cost, higher-deductible health insurance policies and then shelter income from taxes in health savings accounts. This legislation was coupled with $12 billion in subsidies to encourage private insurance companies to offer seniors’ policies that compete with Medicare. Thus, the 1990s was characterized by programs that encouraged the purchase of private health insurance and in-
creased regulation to protect the insurance industry from its own excesses. By 2004 the only Social Security reforms under consideration were privatization bills that would allow workers to invest a portion of payroll taxes in the stock market.

Conclusion

In the timing, scope, and generosity of its national pension program, the United States is not appreciably different from other “liberal” countries. Further, opinion surveys indicate that the public can simultaneously hold contradictory views. While there is strong support for Social Security and Medicare and some variant of national health insurance, surveys also find an “extreme emphasis on individualism” and a “mistrust of central authority.” It is simply implausible that public pensions, public education, and other social welfare programs could surmount the ideological barrier, while health care was trumped by antistatist preferences. As the implementation of Medicare has moved the United States in similar directions to other countries, even those considered “social democratic,” the United States remains exceptional in its lack of universal health insurance for the working aged population. Although antistatist arguments have been employed to explain this pattern, it is more logical to presume that the ideology supports powerful economic interests in health insurance markets.

The historical record suggests that antistatism is not a timeless national essence, a “unitary culture of consensus as embodied in the idea of a single national political culture.” Rather, it has provided enduring symbols and meanings that have been “available” in political debates over the U.S. welfare state. An antistatist ideology and the symbols constructed around it have served several purposes in these political struggles. They have allowed supporters and opponents of a policy initiative to gain control over definitions, terms, and symbols; they have helped to dramatize the issues and identify the source of problems and the desirability of certain outcomes; and they have has been used to mobilize alliances and create solidarity between groups and individuals. Alternative values have just as often been invoked to justify the expansion of the welfare state. The apparent success of elected officials and stakeholder opponents in employing antistatist rhetoric to rationalize policy positions can create the erroneous impression that the values are a causal force in and of themselves, rather than a strategic weapon to justify inaction.
Notes


40. Jennifer Klein, *For All These Rights* (Princeton, 2003), 76.


43. Theda Skocpol, *Boomerang* (New York, 1996), 78.


45. Quadagno, “Why the United States Has No National Health Insurance.”


49. Skocpol, *Protecting Soldiers and Mothers*, 265.


64. Howard Waitzkin, *At the Front Lines of Medicine: How the Health Care System Alienates Doctors and Mistreats Patients . . . and What We Can Do About It* (Oxford, 2001), 156.
71. Thatcher observed that Progressive Conservative Canadian Prime Minister Brian Mulroney was both too progressive and insufficiently conservative.
78. Murray Edelman, *Constructing the Political Spectacle* (Chicago, 1995); Anne E. Kane, “Theorizing Meaning Construction in Social Movements: Symbolic Structures and Inter-
