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The social democratic model and the American States: A study in welfare state geography

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The Ohio State University, 1993
THE SOCIAL DEMOCRATIC MODEL AND THE AMERICAN STATES:  
A STUDY IN WELFARE STATE GEOGRAPHY

DISSERTATION

Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy in the Graduate School of The Ohio State University

By

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* * * * *

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>ii</td>
</tr>
<tr>
<td>VITA</td>
<td>iii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>vi</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>vii</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>CHAPTER</td>
<td></td>
</tr>
<tr>
<td>I WELFARE STATE THEORY AND THE U.S. CASE</td>
<td>11</td>
</tr>
<tr>
<td>Introduction</td>
<td>11</td>
</tr>
<tr>
<td>The Social Democratic Model</td>
<td>14</td>
</tr>
<tr>
<td>American Exceptionalism and the Social Democratic Model</td>
<td>38</td>
</tr>
<tr>
<td>Conclusions</td>
<td>53</td>
</tr>
<tr>
<td>II THE GEOGRAPHIC CONTEXT OF U.S. WELFARE STATE DEVELOPMENT</td>
<td>55</td>
</tr>
<tr>
<td>Introduction</td>
<td>55</td>
</tr>
<tr>
<td>Federalism, Sectionalism and U.S. Social Policy</td>
<td>56</td>
</tr>
<tr>
<td>Conclusions</td>
<td>90</td>
</tr>
<tr>
<td>III THE GEOGRAPHY OF DEMOCRATIC PARTY POWER</td>
<td>93</td>
</tr>
<tr>
<td>Introduction</td>
<td>93</td>
</tr>
<tr>
<td>Social Democracy and the Democratic Party</td>
<td>98</td>
</tr>
<tr>
<td>The Democratic Party and the &quot;System of 1896&quot;</td>
<td>105</td>
</tr>
<tr>
<td>Patterns of State Democratic Party Power-Holding in the 20th Century</td>
<td>123</td>
</tr>
<tr>
<td>Conclusions</td>
<td>147</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1: Members of Congress Voting Against the Social Security Act ...  83
Table 2: European Left Party Breakthroughs. ............................... 110
Table 3: Democratic Legislative Majorities, 1896-1985. .................. 125
Table 4: Results of Heteroskedasticity Diagnostics ....................... 207
Table 5: O.L.S. Regression Results ........................................... 209
Table 6: Regression Results with Heteroskedasticity-Consistent Estimator . 210
Table 7: Correlations Between Union Density and Private to Public Benefit Ratio, Selected Years. 216
Table 8: Component Scores. ..................................................... 230
Table 9: Component Loadings. .................................................. 232
LIST OF FIGURES

Figure 1: Republican Districts, 74th Congress (1935-36) ......................... 76
Figure 2: Republican Districts, 80th Congress (1947-8) .......................... 77
Figure 3: Turnout of Eligible Voters, United States ............................. 112
Figure 4: Turnout of Eligible Voters, Various Countries ......................... 113
Figure 5: Turnout of Eligible Voters, Various Countries ......................... 114
Figure 6: Turnout of Eligible Voters, Various Countries ......................... 115
Figure 7: Turnout of Eligible Voters, U.S.A., Various States ................. 118
Figure 8: Component #1 ........................................................................... 135
Figure 9: Component #2. ........................................................................ 136
Figure 10: Component #2, Signs Reversed .............................................. 138
Figure 11: Component #3 ......................................................................... 140
Figure 12: Component #4. ....................................................................... 144
Figure 13: Loadings, Component #4 (New Deal Surge) ......................... 145
Figure 14: Loadings, Component #3 .......................................................... 146
Figure 15: Union Density and New Deal Surge, 1939. ......................... 175
Figure 16: Union Density and New Deal Surge, 1953. ......................... 176
Figure 17: Union Density and New Deal Surge, 1975. ......................... 177
INTRODUCTION

The features which limit clear-cut party government appear to be parts of an interconnected historical syndrome... The consequences of this syndrome have been much discussed. They are said to have made the system a static one, in which policy change — whether substantive or, equally important, symbolic — is comparatively difficult to achieve. Substantive change is frequently prevented by the breadth of the coalition of interests needed to take decisions, and hence the likely existence of a veto group within it. This is not to say that the system is incapable of major policy initiatives, for important landmark examples stand out. ... However, such initiatives have generally taken an inordinately long time to materialize... Moreover, when finally introduced, major reforms have been said to have taken the form of distinctively sub-optimum compromises, and their effective implementation frequently to have been prejudiced by the inefficiency or outright resistance of the public administration (Hine 1993: 2-3).

A more familiar list of charges regarding the U.S. political system, and in particular the inability of its party system to generate decisive responses to 20th century problems, would be hard to find. The literature on the development of a modern welfare state in the U.S. still largely revolves around the problem of "American Exceptionalism". The most important component of exceptionalist arguments regarding the U.S., although others have been added from time to time, is that the U.S. has lacked any party vehicle, similar to social democratic parties elsewhere, capable of aggregating working class preferences and shaping them in a redistributive direction. This has created a "weak" party system in the United States, one not clearly related to stable societal coalitions with distinct interests.
This, in turn, has made decisive state-building policy initiatives uniquely difficult\(^1\). The notion of this exceptional gap in the U.S. polity and its negative effects on the party system's ability to generate decisive policy initiatives has gained widespread acceptance. This has meant, among other things, that approaches emphasizing the primary importance of administration and state autonomy have recently dominated the discussion of the American welfare state.

It is my belief that the exceptional qualities of the U.S. political economy have been widely overplayed in these matters. The fact that the above quotation does not refer to the United States at all, but to Italy, should give us pause in making rapid generalizations regarding the U.S.'s peculiar burdens. Identifying contextual differences between polities is a necessary component of research in political geography and related disciplines. Although Italy, like the U.S., has not had a strong social democratic party in its national party system, there are numerous features in which its party system and patterns of policy incapacity differ strikingly from conditions in the U.S., and indeed, from those in other European polities. In the case of the U.S., however, this contextualizing endeavor has often been hardened into an approach which, in asserting the inapplicability of social science models developed through generalizing research in other regions, has

\(^1\) This view is shared, symptomatically, by both those "responsible party" critics of the American party system who find fault with the lack of alignment of American parties with distinct social bases, and those who defend the same set of arrangements, stressing the safeguards afforded by the compromises and inertia the party system encourages (Epstein 1986: 9-39).
undermined the ability of researchers to pursue detailed comparisons of the U.S. with other polities, and has retarded the application of social science theories to the U.S.'s political development².

When focusing on a particular polity's contextual features, it can clarify matters to assume that one's generalizations regarding other polities are viable. In the case of the United States, however, the belief that it is an exception to models developed in the European context is so widespread that many studies of the development of welfare states and mixed economies do not include it at all. The most problematic aspect of this tendency is where researchers deny that the Democratic party is in some basic way the equivalent of a "left" party in the U.S. context (Esping-Anderson 1990), on the basis of its performance in the 1970s and

² The concept of America as exception is, to be sure, embedded in a wider set of assumptions in American political culture and history, and is probably shared by a large proportion of the American electorate. It is routinely brought up, even now, by politicians and officials to justify the U.S.'s inertia in developing public policies well-established elsewhere. President Bush's position on the health care issue in 1992 was bolstered by arguments to the effect that even if such policies were effective elsewhere, government intervention in health care simply ran against the American grain: it would not work because American attitudes and practices were unalterably different from those in other polities. The existence of a pervasive ideology of exceptionalism is, however, not grounds for social scientists accepting exceptionalism as a base-line for the explanation of American development. Fortunately, during the 1980s, such scholarly attitudes have become looser: although still focusing on those aspects of American state-building which diverge markedly from European experiences, the resurgence of American political development research led by Skowronek (1981), Skocpol (Skocpol 1981, Skocpol and Ikenberry 1983) and others (e.g. Shefter 1978, Bensel 1984), has helped matters greatly. See, in general, the critique of exceptionalist arguments in Skocpol and Amenta 1989.
1980s. In this study I make an effort to bridge the gap between research on the United States and on Western European polities. I will do this by focusing more closely on the claim that the Democrats have had a role quite different from that of European labor-based, redistributive parties since the mid-20th century.

The Democratic party and the welfare state in the U.S. context are largely subnational phenomena, that is they are creatures of the States. The Democratic party has until recently had little in the way of national organization, and only existed at the national level as a confederation of State organizations (Epstein 1986: 200-238). The U.S. welfare state is highly decentralized, with State governments enjoying a critical role in program innovation and implementation. At this scale of analysis, with so many Democratic parties to consider, it is possible to differentiate out States where we might expect the Democrats to have played a role analogous to that of European left parties from the New Deal onwards. Given this information, it is possible to realistically assess the degree to which the U.S. is truly aberrant when it comes to the relationships between its party system and social provision.

My argument is that the same broad causal factors suggested by research on other polities should be seen as an important part of any account of U.S. welfare state development, even if their operation has been weakened by contextual factors in the U.S. case. When the American welfare state is examined at the State level, it is reasonably clear that the social democratic model is more relevant to
understanding some State polities than others. In this sense the key distinction should not be between the U.S. and other polities, but between some U.S. States and other polities. If this conclusion is warranted, then accounts stressing the paramount role of intellectuals, bureaucrats, protest movements and political culture will have more difficulty making the case that the U.S., with its own societal laws and mores, simply cannot be expected to develop in a parallel direction to other advanced capitalist polities.

Chapter I of this dissertation examines exceptionalist arguments regarding the United States in the light of the most important theories of welfare state formation which have emerged from the comparative literature. In particular, my focus will be on those arguments which suggest that the so-called "social democratic" model of welfare state development is inapplicable in the U.S. context. In effect, these arguments downplay the importance in the U.S. case of political parties in mobilizing the working-class vote and shaping popular preferences for redistributive policies. I begin by describing the social democratic model, stressing why it is, to my mind, uniquely important in the context of welfare state research, and go on to discuss the manner in which a model of this sort is usually treated in the comparative literature.

I then review several of the reasons why this model has been deemed inappropriate in the U.S. context. In this respect, I examine arguments regarding the "exceptional" nature of U.S. political development and its impact on the
American welfare state. I discuss the two most relevant foci of such arguments: the early franchise and the absence in the U.S. of a nominally socialist party with policymaking influence. I discuss the major alternative views of the forces behind U.S. welfare state development: the "state centered" view associated with the work of Theda Skocpol and her collaborators, and the social protest model of, primarily, Piven and Cloward. Both of these theories make important contributions to our overall understanding of the political development of the U.S. However, I argue that they cannot possibly bear all the weight assigned to them in the vacuum left by exceptionalist assumptions. In conclusion, I suggest that the social democratic model has not been applied in the U.S. context in a particularly constructive way. To do so more effectively, I argue, requires a closer consideration of geographical-contextual factors in the formation of the U.S. party system over the 20th century than has been evident in these accounts, and a more general, process-based theory of what social democracy is.

In Chapter II, I pursue these arguments by examining the way in which geography has typically entered debates on the formation of the U.S. welfare state. In particular, the mutually reinforcing roles of the federal political structure and the sectional nature of the U.S. political economy in shaping the Social Security Act of 1935 are examined in some detail. I examine the claim that the South, and southern landowning interests in particular, bear most of the responsibility for the weakness of U.S. social provision, and suggest that this needs to be tempered by
a recognition that the geography of the creation of the Social Security Act, and its consequences, were rather complicated. Processes and conflicts in the Northeast and Midwest were arguably as important in shaping the final product. Transformations in the party systems of these regions, which occurred to differing degrees in different contexts, are hypothesized to be an important part of the full explanation.

In the third chapter I pursue the hypothesis that the party system, and more specifically the policy orientation and electoral base of the Democratic party, has been much more important in U.S. welfare state development than most current research implies. The importance of adequately differentiating those contexts in the U.S. where the Democratic party was likely to have approximated the role of left parties in the social democratic model is underlined, and the main methods used to achieve this in previous studies are critically examined.

The importance of developments in American politics over the 1896-1932 period, that is, over the party system immediately prior to the depression and the New Deal, has been much debated by scholars in political science. In particular, the role of electoral demobilization and remobilization at this time has been seen as a critical factor in the transformation of the Democratic party away from its agrarian moorings and towards a position roughly analogous to that occupied by left and center-left parties in Europe. I examine the claims put forward in connection with the changes in political participation over this period, and stress
that the impact of given levels of electoral mobilization on public policy varies crucially with the nature of the party system in which that mobilization takes place.

I outline a basic set of conditions under which one could expect State Democratic parties to be transformed in a social democratic, redistributive direction. The most important of these conditions is the degree to which the parties were shut out of an important policymaking role over the period immediately prior to the New Deal realignment of 1932-1936, and were subsequently able to effect a sustained reversal of this situation. I examine the degree to which parties in different regions of the country conform to this pattern, firstly using simple statistics, and then through a principal components analysis of data on the relative power of the Democrats in State legislatures over the twentieth century.

In Chapter IV, I reassess the applicability of the social democratic model to the U.S. case on the basis of the analysis carried out in Chapter III. Does the method of party differentiation employed in Chapter III produce results which bear any relationship to the relative generosity of State welfare outputs in the post-New Deal period? The purpose of the chapter is to insert this new information into a relatively standard operationalization of the social democratic model, using State unemployment insurance as an example, and to assess the results.

Because labor union power plays an important role in the social democratic model, a preliminary discussion of unions vis a vis the Democratic party and
welfare state in the U.S. is necessary. I do this by describing the role of unions as one among many forms of party infrastructure which have existed in the U.S. context, taking care to contrast the strength and durability of this infrastructure with those in other polities. The role of unions in this regard is likely to have been most important under the conditions in the party system described in Chapter III.

I continue by setting out my reasons for using the U.S. unemployment insurance program as a test case for the analyses developed in the preceding chapters. I stress that it is a program over which the States have considerable discretion, which originated in the New Deal, and which is clearly oriented to working class constituencies.

The chapter concludes with a regression analysis, the results of which broadly confirm the analysis of party systems conducted in Chapter III. Those states in which the Democratic party was likely to have been transformed in a social democratic direction during the New Deal and its aftermath experienced enhanced welfare outcomes, relative to those states in which there were no analogies to the processes which generated more robust welfare states in Europe. These results hold regardless of the degree to which the Democrats attained overall control of State governments during the periods in question. I conclude that although the social democratic model has a weaker purchase in the case of the United States, it is not entirely plausible to discount its components when trying to explain positive developments in U.S. social policy, or to downplay them
explain positive developments in U.S. social policy, or to downplay them completely on the grounds that America has developed in an "exceptional" manner.

Chapter V, the conclusion, discusses the limitations of the analyses carried out in the body of the work. It also broadens the discussion, linking the critique of exceptionalism to wider debates in human geography, and suggesting some implications of this research for current issues in the political development literature.
CHAPTER I
WELFARE STATE THEORY AND THE U.S. CASE

Introduction

The U.S. case has always posed something of a problem for welfare state theory. The most important general theory of welfare state development relates working class political mobilization with the development of distributive social policies and has proved difficult to apply to the American polity. As a result, the 1970s and 1980s have witnessed several attempts to generate new welfare state theories primarily on the basis of evidence from the U.S. The purpose of this chapter is to discuss these matters in relation to arguments about American exceptionalism. The body of the dissertation is an examination of this particular theory, the so-called "social democratic model", in the context of the American States. My primary aim in this chapter is to justify considering it further in the U.S. case at all, given the recent focus on alternative conceptualizations.

First, I briefly describe the main lines of development in the comparative study of welfare states, stressing the difficulty researchers have found in reconciling general theories of welfare state development with an increased
sensitivity to the effects of national contexts encountered in empirical research. I go on to discuss the origins and ideas associated with one such general theory, the social democratic model of welfare state development. I stress, in particular, the enhanced utility of the model over those suggesting that "economic development" or "modernization" are the unmediated causes of 20th century developments in social policy. I also argue that the generality of the model is an important consideration in the light of the turn to highly contextual research on welfare states which has dominated the field in recent years. I contrast the model with functionalist theories presented at a high level of abstraction, and the highly concrete emphases of recent "statist" approaches.

Some of the difficulties researchers have found in sustaining the link between theory and evidence in the case of welfare states can be attributed to a sometimes mechanical use of statistical procedures. In recent years, however, tendencies towards qualitative work focusing on one or a few cases have aggravated this problem. The U.S case presents special difficulties for the social democratic model. It has long been common to explain the "weakness" of the U.S. welfare state relative to those elsewhere by referring to two of the most compelling arguments for the "exceptional" nature of the American political economy: the early franchise and the absence of a "socialist" or "social democratic" party in the United States. I outline these arguments and emphasize the links between contextual
and exceptionalist arguments. Exceptionalist arguments are extreme cases of a broader concern with contextual analysis.

The major difficulty in sustaining exceptionalist arguments when it comes to welfare state development is that the U.S. does have a quite developed set of social policies and institutions created to implement them. Exceptionalist arguments are useful when trying to suggest why the U.S. welfare state has been weaker or slower to develop than those of other "advanced" countries, but present greater problems when we try to develop positive accounts of those initiatives in social policy which succeeded in the American context. I discuss the common responses to this problem, in particular those which have involved a resort to special features of the U.S. polity to develop case-specific positive theories of U.S. welfare policies. I conclude that these theories cannot bear the explanatory weight assigned to them if the social democratic model is assumed inoperative in the American context.

Finally, I move from considering basically non-geographical theories of welfare state development to considering how political geography can help in straddling the interface between general theory and contextual complications in the case of the American welfare state. Geographers have been quite active in considering the determinants of welfare spending at the sub-national levels of the States and localities, but have not generally entered into a dialogue with the broader debates on welfare state development outside the discipline.
The American welfare state, and American state activity more generally, is decentralized and operates in a highly variegated political and socio-economic landscape. This has been broadly recognized in the non-geographical welfare state literature, through a concern about the effects of federalism and sectionalism on American welfare state development at the national level. This concern will be the focus of Chapter II. Generally speaking, the diversity of contexts in which welfare state-building has occurred in the States, at the level of the party system in particular, means that in assessing possible linkages between the Democratic party and welfare state development we must be alert to differences in the extent to which State parties conform to the political vehicle specified in the social democratic model.

The relevant differences are not necessarily sectional in character. As Chapter III will attempt to show, differences between State Democratic parties in the North and West are as important as differences between the Southern and non-Southern States in giving us a more accurate picture. At the conclusion of this chapter, I discuss how such a geographical-contextual examination of the social democratic model should allow for a better test of the theory in the U.S. context than it has generally received.
The study of welfare state formation and its correlates has been one of the most important dimensions of the extraordinary burgeoning of comparative research in the social sciences in the 1970s and 1980s (Antal et al. 1987; Przeworski 1987; Wilensky et al. 1987). We know much more than ever before about the forces underlying the generalized 20th century tendency for states to intervene in labor markets and other areas of social life. In particular, we have learned of the importance of developments in a region's social structure (Wilensky 1975; Quadagno 1987), party system (Castles 1983), and state organization (Weir and Skocpol 1983, 1985; Skocpol and Amenta 1986) in conditioning differential paths of welfare state development in advanced market societies. The sheer amount of information which has become available on comparative social policy has made it difficult to pursue research strategies, predominant in the 1960s, which sought generalized explanations of welfare states by constructing regression models using aggregate spending indicators as dependent variables and various social indicators as correlates (Uusitalo 1984; Albers et al. 1987). Researchers, therefore, have become more preoccupied with examining the ways in which contextual differences between polities have been critical in shaping welfare state outcomes.

Renewed social scientific interest in the historical-political foundations of the American welfare state coincided with this turn to more qualitative, contextual work in social policy studies. Partly because of this coincidence, the emphasis in
much of the American welfare state literature has been on explaining the differences between the U.S. case and the European cases dealt with in most comparative studies. I agree with writers such as Ashford (1991) and Richard Rose (1989) that much of this work has overstated the degree to which the U.S. deviates from more general processes of state formation in modern societies, but think it relatively understandable given this intellectual context.

The problem with this overemphasis on the U.S. as a deviant case is that it resonates with the long tradition of viewing the U.S. as an "exceptional" polity. Given that the emphasis on qualitative work and the analysis of national and regional contexts has been fruitful in comparative studies, however, attempts to correct for this overemphasis have to straddle a difficult divide between generalization and attention to local specifics. I do not think there can be any question of returning to the unqualified generalizing activity of the 1960s as a solution to the exceptionalism problem. A growing awareness of geographical issues in other social science disciplines may well help, as geographers have long been in the position of thinking about problems of context and generalization in social research. Along with the geographical complexity of the American welfare state itself, which will be the focus of this dissertation, this orientation certainly makes the subject of comparative welfare state formation an appropriate one for geographers' attention.
The social democratic model is based on the influence of working-class parties and labor union organizations. Recent America-focused research has used the U.S. case to undermine this model. The affinity of this strategy with a very old set of ideas regarding the weakness of working-class politics in the U.S. gives this recent work an appeal which it might not otherwise have, and I think we ought to be concerned about the degree to which this prevents the serious exploration of more general theories in the American case. I focus here on the social democratic model, and I shall now discuss its basic argument and development, before recasting it in a form sufficiently general to suit my purposes in the chapters which follow.

The social democratic model has been one of the most successful theories of welfare state development (Shalev 1983; Uusitalo 1984). Through its affinity with theories of neo-corporatism in many European contexts, it has been invoked to account for a wide range of policy phenomena in mixed economies (Goldthorpe 1984). Stated simply, it argues that high levels of economic development are insufficient to account for the dramatically increased levels of state intervention in labor markets through social policy initiatives in the mid to late 20th century. Social policies and welfare spending are political initiatives, and it is by no means clear that elites in industrial societies will provide more than minimal or symbolic social policy intervention unless pressure comes to be exerted on policy-makers by working class citizens.
The social democratic model suggests that such pressure lies at the root of the creation of modern, comprehensive welfare state programs. It has been exerted within the state by political parties representing working-class voters. These parties emerged and prospered for the first time with the suffrage extensions of the late 19th and early 20th centuries. It should be emphasized that the ideology and programs of social democratic parties were conditioned by the joint emergence of working-class citizens and the parties themselves from situations in which they had been excluded from policy-making influence. Generally, such political pressure has been accompanied by the development of strong unions in the economic sphere which, in alliance with working-class parties, have facilitated the coordination of social and economic policies and helped create high levels of well-being and political stability in modern market societies.

The theory therefore posits links between the incorporation of the working-class into democratic politics and their subsequent mobilization by "left" parties, the mobilization of workers in the economic sphere through labor unions, and greater levels of labor market intervention by the state. The use of the terms "the state" and "the working class" here, and the lack of restriction to nominally "social democratic" parties should be taken to imply that the theory is pitched at quite a general level. Furthermore, we should note that the model consists of several processes of political mobilization and state intervention, and is therefore a historically-oriented attempt to understand modern social policies.
The availability of abstract frameworks is certainly desirable in many social science circumstances. The empirical validation of such general ideas can be quite another question. In the 1970s and early 1980s, however, the social democratic model proved quite robust in cross-national statistical tests. The general pattern followed was to correlate the cumulative or current degree of control left parties exerted in national legislatures and cabinets, voting for left parties, and union density and organization with various measures of welfare outputs. Alternatively these variables were incorporated on the right-hand side in various regression formulations of the model (Hewitt 1977; Hibbs 1977; Stephens 1986; Castles 1978, 1983; Korpi 1989). Most importantly, these conclusions remained valid even where researchers controlled for levels of economic development across the national contexts considered, so long as attention was restricted to the "developed" countries (Uusitalo 1984).

As a result, the social democratic model became in many accounts a successor to models emphasizing the effects of economic development and "modernization" in explaining welfare state formation. It had been argued, in line with predominant structural-functional theory in early post-war social science, that the process of industrialization generated inevitable social stress among the populations of industrializing societies and new "needs" for state provision. These "needs", in turn, could be easily accommodated through the enhanced ability of states to raise revenues as economic development proceeded (Wilensky 1975).
Bureaucratic structures were developed in order to manage and distribute the newly necessary benefits.

Certain elements of this body of theory remain unquestioned. Nobody suggests that there is no relationship between a nation's or region's economic capacity and its ability to shift resources in the direction of social policy, for example. There is, however, broad agreement among social scientists that we need to insert mechanisms of political mediation between economic development, social "needs" and welfare state outputs if we are to account for the diversity of patterns of social policy in developed countries. When Jill Quadagno, for example, suggests that a greater acknowledgment of the role of expanding elderly populations in creating enhanced welfare provision is necessary (Quadagno 1987), she is not suggesting that governments automatically respond to the perceived needs of the elderly. As current debates in the U.S. on the level of entitlement spending indicate, the expansion and entrenchment of public policies aimed at supporting retired populations is heavily influenced by their voting influence in the party system and their parallel mobilization through interest group activity.

The social democratic model has by no means been as broadly accepted as these observations might lead one to expect, particularly among some neo-marxist scholars and researchers focusing on the American case. The most significant
exceptions to this consensus are certain formulations in literatures which heavily emphasize the determining role of economic processes, in particular, the work of mainstream economists, and of some neo-marxist state theorists.

In economics, it is still common for welfare states to be analyzed in terms of the supply and demand for public goods. To the extent that the demand side is emphasized in models developed in this framework, modernization theory often seems to be implied when the size of target populations, or other measures of "need", are included on the right hand side of demand equations in econometric models. However, the economic literature has remained rather isolated from developments in the other social sciences in this area.

By contrast, scholars interested in developing the marxist tradition of economic explanation have been highly active in social science debates, and their work sometimes offers curious parallels with the modernization approach. Certain neo-marxist approaches also proceed as if welfare state development were a necessary reflex of capitalist development, irrespective of the complexities of how preferences and needs are shaped and articulated by political organizations. Some

3 These approaches are to my mind more significant because they are based on theories of relatively high generality. The "statist" approach which I discuss below, because it has developed out of examination of the U.S. welfare state, has had less impact on the study of social policy elsewhere.

4 Some of the most influential early models of social spending across the American States took this form, and this sort of framework is still quite common in quantitative human geography, where the influence of economics has been strong. E.g. Jones 1984; Bennett 1982.
of Claus Offe's early formulations suggest this state of affairs (Offe 1984). In a
review of a recent work of Gösta Esping-Andersen (Offe 1991) he has reiterated
the idea that the state's "cushioning" of workers through labor market intervention
is general, necessary, and usually strictly temporary in advanced capitalist
societies, and that this state of affairs is scarcely ameliorated by the presence or
absence of particular party organizations holding power in the state. Göran
Therborn has, on occasion, echoed this view (Therborn et al 1978), going so far
as to invoke neo-classical theories of public goods in criticizing extant political
theories of welfare state development (Therborn 1987).

The arguments of mainstream econometricians are usually free of explicit
social science theory. A basic acceptance of the legitimacy of aggregate analysis
on the part of the reader works to make questions of politics seem irrelevant to the
task at hand. In the case of neo-marxist authors like Offe and Therborn, however,
the functionalist nature of arguments cutting out political mechanisms from welfare
state analysis are much clearer. In social science contexts, a functionalist argument
is one which accords explanatory status to the "needs" of society, or to imperatives
of social system maintenance, when accounting for a given social development
(Giddens 1981). In the case of the welfare state, any argument which suggests that

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5 Given that some of the most stimulating theories of political mobilization
have been advanced by economists interested in micro-level analysis (e.g. Olson
1965, 1982; Hirschman 1970, 1982), I should point out that my criticisms here
only apply to the aggregate analysis of welfare outputs more common in the
empirical literature.
social policies arose as quasi-automatic responses to socio-economic developments and new "needs" on the part of workers or capitalist elites has strong functionalist overtones.

Jon Elster has discussed the problems of functionalist explanation, with special reference to marxist arguments, in a particularly useful way (Elster 1982, 1986). He has argued that the problem with functionalist explanations is not simply that they are wrong, but rather that they are incomplete. Such explanations can usually be incrementally improved by filling in intermediate causal mechanisms between, say, the economy or social "needs" and welfare state phenomena.

The mistake that writers like Offe and Therborn commit in criticizing the social democratic model, therefore, lies in their finding fault with particular accounts of the political intermediary mechanisms, without offering improvements. Instead, they fall back on the hypothesis that the requirements of capitalism or market failure essentially "call forth" political responses in the form of social policy initiatives. By neglecting the clear specification of political intermediary mechanisms, neo-marxists find it hard to move away from the (probably premature) conclusion that welfare state development is simply a functional necessity for capitalist development. This is not a good explanation unless the mechanisms

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6 In his more recent work, Offe has tended to modify this position, examining the variety of avenues through which men and women can survive outside the labor market — the welfare state then, is not such a functional necessity as it had appeared (Offe 1986; Offe and Heinze 1992).
through which this hypothetical necessity is made a conscious part of public policy are spelled out. The social democratic model provides a strong set of hypotheses as to how this process of political mediation occurs.

Criticism of the social democratic model has also arisen from the exploration of the "peculiarities" of the case of the United States. In particular, researchers adopting the "statist" approach to welfare state development, elaborated in the work of Theda Skocpol in the early 1980s (Skocpol 1981; Skocpol and Finegold 1982), have argued that the social democratic model is an example of a prevalent "society-centered" framework of policy analysis. In such a framework, they argue, it is assumed that the critical impetus behind public policies comes from outside state institutions. If one focuses on the detailed evidence surrounding the creation of modern social policies in particular contexts, however, they argue that a different framework suggests itself. Because the details of policy-making and implementation can rarely be traced to proposals made by extra-governmental groups, or even in many cases to political parties, they suggest that the primary sources of innovation in social policy and welfare state-building are the managers of state bureaucracies themselves. This is especially true in the context of the United States, where they argue that party organizations and working class interest representation have been weak, but their framework is intended to be relevant to European polities as well (Orloff and Skocpol 1984; Weir and Skocpol 1984).
I shall further discuss this body of work later in the chapter. At this point it is important to note that the statist approach to the welfare state embodies a tendency opposite to that encountered in modernization theory and the neo-marxist approaches just mentioned. These latter approaches downplayed the intermediation of social demands and economic development by parties and other mobilizing organizations and discussed welfare state development as a necessary component of "industrial" or "capitalist" social systems. The high level of abstraction implicit in these accounts was conducive to incomplete, functionalist theories of the development of welfare states. The statist approach also downplays the importance of political mobilization, but is equally suspicious of grand functionalist theories (Skocpol 1981). The result has been a series of detailed accounts of the origins of particular pieces of policy in particular contexts, especially the United States during the 1930s (Weir et al 1988).

I do not wish to dispute the value of detailed historical work. The relevant details fastened upon, however, are often in the eye of the beholder, and as the fairly acrimonious debates surrounding the work of Skocpol and those associated with her viewpoint have demonstrated, there is much room for disagreement here (e.g. Goldfield 1989; Domhoff 1990; Jenkins and Brents 1989). A common thread in these disputes has been the tendency of statist researchers to only accept evidence of policy influence which shows the active support of particular governmental initiatives on the part of individuals and groups, and even to deny the
influence of interested parties who did not write, or otherwise specify, the details of implemented policies.

Michael Goldfield (1989) has been particularly vociferous in arguing against the statist claim that labor union activities had little to do with the passage of the National Labor Relations, or Wagner, Act of 1935. His discussion focuses primarily on Skocpol's highly restrictive notion of what constitutes "influence" on state-building initiatives. Through a combination of theoretical argument and statistical analysis he suggests that if a broader view of policy influence on the part of unions is admitted as evidence, e.g. their strike activity, the statist picture of the origins of the Wagner Act is modified considerably.

Waves of collective action by workers and others in the 1930s were surely part of the "context" of American welfare state initiatives, but the focus in statist accounts on the proximate determinants of policy details obscures this (Jenkins and Brents 1989). Skocpol and those influenced by her have, therefore, downplayed the analysis of mechanisms of popular mobilization and the mediation of demands and resorted to a detailed concrete account of the emergence of laws within the

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7 Skocpol's view that union influence in the development of the major social and labor policy initiatives of the 1930s in the U.S. was based largely on the observation that A.F.L. leaders were not involved in the formulation of the Social Security Act or the Wagner Act (Skocpol 1981). As I shall indicate in Chapter IV, the skepticism of U.S. union leadership towards state welfare initiatives, while not unique (Orloff and Skocpol 1984), is not decisive in considering the role of organized labor in welfare state development. Skocpol appears to have recently modified her views on this matter (Skocpol 1993).
governmental apparatus. If over-abstraction has been a problem in earlier accounts of welfare state development, the preoccupation with policy details in this later literature has led to social science analyses of public policy which tend more and more towards description without the backing of a theory of welfare states which would be useful in generalizing experiences across national and historical contexts.

The theory of state capacity which emerges from these accounts, for example, relies on the notion that state managers have interests of their own in the development of welfare states. This is largely asserted, rather than convincingly elaborated, in opposition to neo-marxist accounts which suggest that elites in the state have interests in common with elites in the private sector. Theories of bureaucratic self-interest are available in the rational-choice literature (e.g. Downs 1956; Niskaanen 1971), but are not discussed in the statist accounts. Given the importance that Skocpol and colleagues attribute to the linkages between governmental elites and university experts, one might also expect a more careful account of the socialization of state managers and the role of developments in the universities ("societal" institutions, like labor unions) in shaping their policy preferences. Nevertheless, the main support for the state-centered theory in statist accounts of the U.S. welfare state appears to reside in the evidence that state managers were indeed responsible for suggesting and writing the details of much public policy. In policy-making areas where such elites did not exist, successful policy innovation, suggest Skocpol and Finegold (1982), was unlikely to occur.
Thus the theory appears to be more a product of the restrictive notions of evidence which Goldfield and others object to, rather than of a strong theory of modern welfare states.

To sum up, critics of the social democratic model have tended either towards an abstract, often functionalist, set of explanations for welfare state development which are not especially satisfactory in understanding the mediation of social "needs" and imperatives by the political system in particular contexts, or towards a highly contextual and concrete description of how social policies are written and implemented. Therefore, along with the support it has received in cross-national empirical research, I think there are important theoretical reasons why the social democratic model is an ideal starting-point for further refinements in our understanding of welfare states. The level of analysis embodied in the model, operating as it does to fill in the mechanisms linking large scale socio-economic developments to concrete decisions about social policy, is more satisfactory than those implicit in the major alternatives. It avoids functionalist arguments while attempting to build a theory which will be useful in a range of

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8 In her earlier work on revolutions, Skocpol put forward the argument that states were autonomous institutions and that state managers had interests of their own because of the relationships states had with each other in the inter-state system (Skocpol 1979). Her argument was that the pressures generated by international relations cross-cut those emanating from elites in national societies, and provided state managers with room to manoeuvre in relation to domestic interests. This is an interesting theory, not least from the point of view of its implications for political geography, but it is not clear how it supports state-centered arguments regarding the social policy innovations she has focused on since 1980.
different polities. In addition to being an improvement over the modernization approach, it is pitched at an appropriate level of generality to facilitate theory construction.

The generality of the model in its basic form is the key to its application in polities, such as the U.S., which do not, on first inspection, appear to be promising candidates for social democratic welfare state formation at all. The social democratic model, when invoked in case-based studies, has become heavily associated with particular European polities, namely the Scandinavian welfare states. Michael Shalev has perceptively described the way in which the Swedish pattern of welfare state building has been used as an implicit ideal-type in approaching other polities by advocates of the model (Shalev 1983). Gösta Esping-Andersen, one of the model's most important advocates in the mid 1980s, has more recently argued in response to such concerns that the social democratic model constitutes only one of three basic "welfare state regimes", and is applicable only in the Scandinavian context (Esping-Andersen 1990)⁹. The trend towards contextualization, then, appears to have caught up with the model, and its range of application severely limited.

If the model is conceived of as an ideal-type, and ideologically coherent social democratic parties based on strong, encompassing labor movements are

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⁹ The other two "regimes" are the conservative, in continental countries such as Germany and Austria, and the liberal, in the U.K., the U.S., Australia and New Zealand (Esping-Andersen, op. cit.).
viewed as components which must be present if the model is to apply, then indeed it will not have wide applicability. Moreover, given current political developments in Scandinavia, it may not be long for this world. Despite recent suggestions that its scope be limited, however, I think the development of the model suggests that it emerged as a highly general set of theoretical ideas. It was not intended as an ideal type of state-formation in particular national contexts. Rather, it developed as a process-based account of the paths by which accommodations were reached over the extent of the operation of the labor market by the major social groups created by the extension of this market in the course of capitalist development.

The origins of the social democratic model as an attempt to explain welfare state development suggest that it was intended to have very general application¹⁰. It arose in the context of the revival of marxist theories of the state in the 1970s. Much of the discussion among marxists at the time revolved around the degree to which the state was "autonomous" of the interests of capitalist elites, and whether state policy should be explained as responding to conscious demands by these elites, or as determined by the structural organization of capitalism, irrespective of the political needs of particular groups of capitalists (Jessop 1982, 1990). In short,

¹⁰ In talking about the "origins" of the theory, I am referring to its origins as a retrospective social science theory of the welfare state, and not to the political theories espoused by reformist marxists such as Kautsky and Bernstein, and by the architects of the Swedish welfare state, which are the subject of an interesting discussion by Esping-Andersen (1985).
most of the so-called "instrumentalist-structuralist" debate revolved around questions relating to the influence of capitalists on state policy.

Gøsta Esping-Andersen, Roger Friedland and Erik Wright (1976) contributed to this debate by stressing the positive role of working class organizations in creating pressures for welfare state policies. In effect, this was part of a trend towards giving the working class, hitherto neglected, an active role in state theory. Esping-Andersen describes this theoretical development, in his case, as a movement from a "Leninist" position, in which the working class is viewed as incapable of untutored political action, to a social democratic position in which the working class and its organizations are viewed as capable of forcing considerable policy change on often reluctant private sector elites (Esping-Andersen 1985: xiii-xviii). This view of modern capitalist states embodying "class compromises" of one sort or another, particularly over labor market issues, has become common in the political development literature (Bowles and Gintis 1986; Przeworski 1985; Collier and Collier 1990). Empirical research on welfare states was an ideal way in which to assess the validity of these ideas.

As a set of ideas using the phenomenon of the development of welfare states to argue for a strong role for the working class in state theory, the social democratic model is therefore quite general in scope, and appears applicable to all polities with reasonably developed capitalist class structures. It suggests that working class influence will be evident, to greater and lesser degrees to be sure,
in all such polities, not merely in Scandinavia. This will be the case because it has been impossible for capitalists not to make policy concessions to workers, particularly with respect to the labor market, where wage-earners have constituted the largest major element of the population.

Unlike the structural marxism of the 1970s, however, the social democratic model of the state has been more concerned with historical process than with abstract theorizing about political aspects of the capitalist system. The conceptualization of social democracy as a large scale process in market societies has been stimulated by a revival of Karl Polanyi's ideas about modern welfare states. Polanyi (1957) argued that modern states were necessarily driven to intervene in labor markets. Without such intervention in the form of social policies, unregulated labor markets would literally turn workers into commodities, a situation which would be enormously destructive of human life and societal stability. Paradoxically, the process of the commodification of workers through the capitalist labor market created immediate countervailing pressures for limits on such a market. The complete extension of the capitalist labor market was, Polanyi

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11 The existence of working class majorities in capitalist societies has been pivotal in some recent discussions of the social democratic model. Esping-Andersen (1985) and Adam Przeworski (1986) have emphasized that the manual working class, conventionally considered, has nowhere constituted a majority of voters, a fact on which they proceed to ground differing analyses of the alliance behavior of social democratic parties. Other writers have argued that this is an unnecessarily restrictive definition of the working class (Meiksins Wood 1986). In the present context I am echoing this latter sentiment and referring to "wage earners" irrespective of the consequential internal divisions this term masks.
suggested, not merely undesirable on humanitarian grounds, but simply impossible. Such an eventuality would destroy society.

While the historical process of the commodification of labor had long been a focus of marxist research, the counter-tendency towards labor’s decommodification had received much less attention. Marxist scholars, like their neo-classical counterparts, have generally been better at describing purely market-driven economies than the mixed economies which have been the norm since the 1930s, if not before. Offe (1984) gave this idea wide currency in the 1970s, but with Polanyi, he saw the decommodification of labor as a necessary feature of modern societies, rather than as something which had to be related to the historical process of the mobilization of the working class through political and economic organizations.

Needless to say, where scholars have tried to explain the process of decommodification in particular cases or sets of cases, they have been led to focus on the political mechanisms through which this "necessity" has been translated into government policy. The work of Walter Korpi (1978, 1980, 1983, 1989; Korpi and Shalev 1980) and Esping-Andersen (1978; 1985, 1990; Korpi and Esping-Andersen 1984) has been largely responsible for moving the focus of the literature on social democracy from the study of the effects of left party power in regression models to a concern with supplementing statistical analysis with empirical and historical
analyses of the mobilization of the working class and allied social groups in parties and unions.

Korpi (1980, 1983) discussed the variety of ways in which working-class mobilization through elections and unions could result in interventions in the labor market. He developed a rather general theory — the "power-resources" model — in which economic elites, poor in numbers and rich in resources, confronted wage-earners, poor in resources but rich in numbers, in the political process. Esping-Andersen described social democratic welfare state formation in Scandinavian polities as a process of positive feedback, where left parties mobilized electoral alliances between farmers and wage-earners. Once in power, this support allowed them to pursue policies of decommodification through welfare state initiatives, which in turn helped reinforce their electoral coalitions, at least for a time (Esping-Andersen 1985). Perhaps the most optimistic version of the social democratic model, considered as describing an historical process, is that of John Stephens (1986), who argues that the mobilization of working-class voters by left parties and associated welfare state policies represents the process of the transition from capitalist to socialist societies in developed countries.

There has been considerable skepticism expressed regarding the more optimistic versions of this process-driven view of social democracy, most notably by Adam Przeworski( 1985, 1993; Przeworski and Sprague 1986). However, despite his despairing of the possibility of sustaining social-democratic coalitions
in the long run, Przeworski’s own theories, which examine the impact of rational choices made by working-class parties as they enter the electoral arena and gain power, are very much within the same process-based framework.

One of the virtues of the social democratic model as it has developed in the 1980s is that it resonates with some of the most important themes of the postwar literature on political development. A concern to characterize and explain the political incorporation of the working class and the expansion of what Marshall called "social citizenship" has been basic to this literature, as reflected in the work of Bendix, Lipset, Rokkan, and others. In this older literature, it is clear that attention to the effects of national contexts were not allowed to invalidate the basic theoretical scaffolding employed. If one strips away the structural-functional jargon in the work of Lipset and Rokkan, for example (Lipset and Rokkan 1967; Rokkan 1970), one finds little which seriously contradicts the social democratic model’s primary focus on working-class mobilization, a fact which has led to a continuing indebtedness to their work on working class incorporation in research on labor in politics (e.g. Collier and Collier 1991). This arrival at a similar framework as those of an earlier generation of theorists is quite nicely symbolized by the title of one of the key studies utilizing the social democratic model, Korpi’s (1983) The Democratic Class Struggle, which is also the title of one of the chapters in Lipset’s Political Man of 1963.
The social democratic model is therefore a general theory of the processes through which socio-economic developments are translated politically into welfare state development. Before proceeding any further, we need to provide a restatement of the model in general, process-based terms. As Esping-Andersen and Keesbergen (1992) note, the most common "definition" of the model is in terms of the effects of some combination of union power and nominal social democratic or labor party power on policy outputs. In a very empirical and Europe-focused literature, this is an adequate working operationalization in many cases. Where a definition is advanced for theoretical purposes, again there is general agreement on party and union components, but these are usually assembled into a "hard" ideal-typical definition which, as has been pointed out (Shalev 1983), usually relies on Sweden as an implicit paradigm. This sets up high standards to which the U.S., let alone many European polities, have difficulty conforming.

In relying on a more general definition, it is important to bear in mind the major claim to importance of the model. It is designed to underline how the growth of working-class populations gets mediated by economic and political organizations in shaping the public policy profiles of market societies. In this sense, it is a clear plausible alternative to economic growth and state-centered explanations of welfare state development. My working definition of the social democratic model, which should be sufficiently general to bear application to the U.S. context, is in three parts:
1. Social democracy is a process, widespread in market societies and possibly necessitated by the development of labor markets, in which working-class votes in the electoral arena confront the monetary resources of economic elites. The precise role that working class mobilization plays in a polity is indeterminate, however, because of the decisive role of party organizations in channelling voters and constructing policy packages. This combination of working class politics and resulting policies which aim to mitigate the impact of labor and commodity markets has been aptly termed "Politics against markets" by Esping-Andersen, and has been conceptualized in Korpi’s "power-resources" model.

2. The lowering of barriers to, and costs of, participation is an essential part of the mobilization process of the working-class in the electoral arena. Social democracy, as opposed to other forms of political democracy, is impossible unless the working class is incorporated into the polity. This incorporation plays a decisive role in the rise to power of "social democratic" party organizations, as parties are much more likely to rely on working class votes if they find themselves excluded from a polity in the midst of a largely working-class unmobilized electorate. This component of the definition could, then, be though of as a set of "breakthrough preconditions" for social democracy in modern polities.

3. Typically, working-class mobilization in the electoral arena is paralleled by the development by left parties of strong links to labor unions. In the social democratic model, this creates and maintains a lineage to the economic sphere and
its management which is parallel to the personal and organizational linkages of "bourgeois" parties to economic elites.

In concluding this chapter, I will outline one way in which this general political model of welfare state development can be applied to the U.S. Chapters III and IV represent an attempt at such an application. Firstly, I need to address some of the most important reasons why some suggest there is little point in carrying out such an enterprise, and some of the alternatives proposed in the U.S. welfare state literature.

**American Exceptionalism and the Social Democratic Model**

There are many reasons why the U.S. is often argued to be an "exception" to models of political development, such as the social democratic model, which have explanatory validity elsewhere. The most common "big" explanations for the peculiarities of the U.S. are: its early franchise for adult white males, making organized struggles for influence in the state unnecessary; the lack of working class parties; a pervasive, liberal, anti-statist ideology, blocking the development of socialism; the availability of frontier land and high levels of mobility; an absence of state institutions with strong bureaucratic capabilities; and the inability to develop "peak" organizations capable of bargaining on behalf of major societal interests within the state.
In the political development literature the combined influence of several of these factors has often been described as creating a uniquely weak political framework which sets the U.S. apart from more general models of political modernization. Samuel Huntington (1968), for example, has argued that the U.S. government has retained so many antique features from its colonial past that it has become incapable of responding to modern societal demands. On this kind of account, "political development" would not seem to be a very appropriate term to apply to the U.S. at all. Steven Skowronek (1981) has provided a useful corrective to this view, as he stresses the slow, but real, process of bureaucratization that occurred in the U.S. between the 1870s and the First World War. Nevertheless, he had little to say about other ways in which our picture U.S political development might be brought into a useful comparison with other market societies. Those drawing on his work have tended to present bureaucracy as an alternative explanation for American policy developments, assuming as they do so that other aspects of Huntington's syndrome can be accepted intact. We lack, as yet, good accounts of the modernization of the American party system in comparison with those elsewhere for example, and the literature on American parties is still preoccupied with the features which make them different from their European counterparts (Epstein 1986; Ware 1987; Shefter 1978).

There is a real danger in overstating the case for the uniqueness of the U.S. polity. Many other polities have literatures stressing their "exceptional" problems.
There has been a long debate among scholars of Britain about its supposedly unique and outmoded social structure. Amongst other things, the British working class has been said to be apolitical and lacking a socialist ideology or true socialist party. Britain's constitutional structure is said to be antiquated and in need of extensive modernization if it is to cope with 20th century processes of industrial decline (Anderson 1966, 1987). All of these things have been said about the U.S. as well. Other European polities, Germany in particular, are regularly described as exhibiting peculiarities sufficient to make them resistant to general models of political development (e.g. Blackbourn and Eley 1984). As comparative researchers become more and more preoccupied with features differentiating polities from one another, there is a danger that the term "exceptionalism" will lose its meaning. "Normal" polities, which are necessary to these accounts because they are implicit in the very idea of a country being "exceptional", become harder and harder to locate (Thompson 1978; Zolberg 1986).

The two features of the U.S. polity which have been stressed in particular when suggesting that the U.S. is exceptional in terms of the causes of its welfare state development are the early franchise and the absence of a nominally "socialist" party in the U.S. party system. These two features are directly relevant to the question of whether the social democratic model can be applied in any form in the U.S. context. In the United States, unlike in Europe, white male suffrage was achieved remarkably early, and was completed during the 1840s (Shefter 1978).
Mass participation in politics, therefore, preceded the development of large-scale industry and the development of a working class electorate. As a result, white male Americans have not had to engage in struggles for even minimal political influence in the same way as the urban working classes of late 19th century Europe.

In Europe, struggles for political influence resulted in alliances between socialist parties and union organizations which emerged to protect the interests of wage earners in the workplace. In contrast, in the U.S. the early franchise in a largely pre-industrial context stimulated the emergence of patron-clientelistic forms of political organization, political machines, which mobilized citizens not so as to obtain social reforms or to use the power of the state to counter that of market institutions, but rather so as to distribute jobs and benefits which went along with the winning of office (Shefter 1978, 1986; Bridges 1986). This is not to say that the benefits which could be available from machine organizations were not keenly sought after by citizens. Indeed, machines may have operated as limited welfare state substitutes in American cities in the second half of the 19th century (Skocpol 1993). However, because their power rested on their ability to selectively distribute benefits to supporters, machine organizations could not play a role analogous to that of European working class parties in pressing for comprehensive social and labor market policies.

The second important feature stressed in exceptionalist accounts is the absence in the U.S. of a socialist party. This is obviously related to many of the
same features of the U.S. polity as the early franchise. The widespread
development of machine forms of political organization which accompanied the
early suffrage developments created a pre-existing network of organizations which
were durable enough to continue mobilizing working class electorates during the
industrialization process of the late 19th century. The electoral openness of the
American state did not provide fertile ground for the classic revolutionary socialist
party of late 19th and early 20th century Europe to develop. It is not true that the
U.S. has lacked socialist parties or movements. It is their weakness and lack of
durability compared to their equivalents elsewhere which have reinforced claims
that the U.S. is exceptional (Laslett and Lipset 1974; Davis 1986).

I do not want to embark upon a lengthy discussion of the various theories
put forward to account for the absence of a durable socialist party in the U.S. It
would, in any case largely boil down to the inventory of exceptional features of the
American polity with which I began this section. In reality, I am not even
convinced that such a discussion is necessary in the present context, because I am
not sure that socialist parties, strictly speaking, are necessary forerunners of the
kind of party required by the social democratic model. In Chapter III, I will argue
that non-socialist parties can, under certain conditions, face strong incentives to
mobilize working class voters through welfarist appeals. Moreover, much of the
literature on the social democratic model is concerned with discussing the
differences between socialist and social democratic parties, and the social
democratic model, at least in its more general forms, does not argue that "socialism" causes welfare state development.

It is enough to note for now that many writers have fastened on the absence of socialism in the United States as a major factor inhibiting the development of a strong framework of social protection. As a result, because they see socialist parties as necessary precursors of social democratic welfare state formation, they are led to rule out the social democratic model as having relevance for the U.S. case.

The problem with accepting these arguments as they stand, however, is that they cannot help us come up with positive explanations for the welfare state which has emerged in the U.S. in the 20th century. As has been noted (Katznelson 1978), Werner Sombart's famous question "Why is there no socialism in the United States?" (Sombart 1976) has become rather easily transmuted in much contemporary writing into the apparently similar "Why is there no welfare state in the United States?." The segue from one question to the other is not very helpful, however. The U.S. has a reasonably developed welfare state, it is by no means

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12 Strong socialist movements could be held to explain welfare state development because they create fear among elites. State managers respond to this fear by using welfare policies to damp down the likelihood of socialist activity among workers. It does seem as if such a process lay behind the early development of the German welfare state in the 1870s for example (Esping-Andersen 1990). This process, however, is not part of the social democratic model because of the rather passive role it accords wage earners and their organizations in pressing for welfare state expansion.
agreed that "socialism" is the major cause of welfare state development elsewhere, and social democratic welfare politics, even in the Scandinavian countries are rather far removed from the kind of socialism to which Sombart was referring in 1906. Nevertheless, the main responses to this problem of explaining the welfare state phenomena which do exist in the U.S. have largely accepted the equivalence of socialism and social democratic welfare state formation, and have either compromised by suggesting that the U.S falls at the low end of a scale measuring social democracy across polities, or tried to come up with theories specifically tailored to the U.S. case.

The first common response which has developed in the literature is to try to reconcile the U.S. case with others by suggesting that there is a linear relationship between something called "social democracy" and welfare state development (Hewitt 1977; Cameron 1978; Stephens 1979). The U.S., on this account, exhibits a combination of low levels of social democracy and low levels of welfare state generosity, as compared with, say Sweden, which exhibits high levels of both variables. This has the virtue of simplicity and generality, but the drawback of failing to suggest, in the face of exceptionalist arguments, what exactly is meant by the U.S. having a small or negligible amount of social democracy. In these accounts, this generalization is usually suggested, rather than argued through, on the basis of low levels of unionization and the existence of a
liberal wing within the Democratic party considered as a national entity analogous to the Swedish Social Democrats.

The second, and currently more prevalent response, has been to develop case-based theory of the U.S. welfare state, in which special features of the American political economy are invoked to account for the real, but weak, development of social provision in this context. One such theory strongly emphasizes the bureaucratic weakness of the American state apparatus. It suggests that only where the American state has become more highly developed in structure and in personnel have major initiatives in social policy, and public policy generally, been able to sustain themselves.

I have already discussed the work of state-centered researchers in connection with the problem of generality in welfare state theory. Because they focus on highly detailed aspects of law-making and bureaucratic influence, these scholars seem well-placed to produce a theory specific to the U.S. case. In fact, almost all the work using this set of ideas has involved one or other aspect of U.S. public policy. Although their writings are among the very best sources for details on the formation of particular government agencies and policies, they embody an important flaw which I think is leading to a general re-evaluation of their theoretical framework.

One problem with this literature, in addition to those mentioned earlier, is that it often seems to be trying to perform two different tasks using the same tools.
Firstly, it aims to explain the relative weakness of the U.S. welfare state compared to those in other polities (Orloff 1988). It does so by stressing the poorly developed capacity of the U.S. administrative system to undertake major policy initiatives. Secondly, and more importantly for the problem presently under discussion, it claims to find positive explanations for the development of American social policy in the same place, namely, in the bureaucratic institutions of U.S. government. There is a kind of lingering ambiguity in their work as a result. It is hard to argue against critics who suggest that non-bureaucratic actors are more important in accounting for the emergence of the Social Security Act, for example, when in other contexts one has stressed the weakness of the American administrative state.

Because the state-centered theory relies upon a set of causal factors which it itself suggests are weak when making comparisons with other polities, it seriously undermines its own claim to be a strong alternative to "society-centered" theories of the American welfare state. In her latest theoretical statement Skocpol (1993: 1-62), hitherto the strongest proponent of the state-centered view, dilutes the theory considerably. Her revised perspective, now termed the "polity-centered approach", incorporates numerous features of the society-centered views which she had formerly criticized. For example, labor unions and gender-based social movements are now discussed as putting critical pressure on State and Federal governments for social policy innovations. Although her concern with expert elites, bureaucrats, and policy legacies has not disappeared, it has become part of a
framework so comprehensive that almost none of the critics of the state-centered approach could find fault with its basic outlines.

Unfortunately, a theoretical framework which contains as many different elements as this is in danger of emphasizing so many things that it ceases to be a strong testable theory at all. At times, as a consequence, Skocpol’s book reads more like a detailed narrative of the development of particular policies, rather than as a social scientist’s evaluation or demonstration of the power of a coherent set of ideas.

The state-centered theory seeks the causes of American welfare state development in a phenomenon, the bureaucratic state, which has developed only weakly in the U.S., as compared to other polities. Another case-based theory is more positive, noting that the American polity, with its weak parties, has been particularly susceptible to waves of protest movement activity. This kind of political mobilization, it is suggested, has been at the root of positive developments in social policy in the American context.

This theory has been particularly associated with the work of Frances Fox Piven and Richard Cloward (1971, 1977, 1982). Given the absence of social democracy in the U.S. case, they argue, the only mechanism which has compelled political and economic elites to provide more than minimal social protection has been the alarm generated by disruptive protest on the part of the poor. In their best-known work (Piven and Cloward 1971), they argued that the expansions in
welfare provision of the 1930s and 1960s were largely in reaction to the protest activities of industrial workers in the earlier period, and of African-Americans in the latter.

An important dimension of their theory is their claim (Piven and Cloward 1977) that only disorganized protest can be successful in wresting social policy concessions from the state. They suggest that the trajectories of the movements involved indicate that the increasing organization and routinization of pressure for welfare state expansion leads to a declining ability on the part of the disadvantaged to shock elites into concessions. Their emphasis on waves of protest is partly a result of their view that the American parties have been inappropriate vehicles for major social policy initiatives. The absence of a truly radical political party in the U.S., along with the negative effects of organized political activity more generally, leads them to this simple, but elegant set of ideas.

I am sympathetic to the claim that the activity of social movements has been particularly important in creating pressures for change in the U.S. political system. I do not, however, accept that organized political activity has not been an important part of the explanation for U.S. welfare state development. Movements, such as the Townsend movement (Amenta and Zylan 1991), were important in creating pressures for an expanded Federal role in Old Age pensions, for example. I am not convinced, however, that they were nearly as consequential as the generalized pressures created by the Democratic party’s need to consolidate its newfound pre-
eminence through popular reforms. Moreover, although Piven and Cloward present much evidence which suggests that the urban poor were shifted on and off the welfare rolls in the 1960s in response to the rhythms of protest activity, these very fluctuations indicate that unorganized protest cannot account for the more sustained features of American social provision, such as Social Security and the Unemployment Compensation program. Although it is a positive, and appealingly simple, theory of American welfare state development, I do not think the protest model can fill the explanatory gap which is created when the social democratic model is ruled out as a possible theory in the American context.

Although I have been critical of both these sets of ideas, I am sensitive to their real merits: they fasten on important points of differentiation between the U.S. and most European polities. Both claim a certain applicability beyond the U.S. context. Nevertheless, by linking their arguments to those associated with exceptionalist ideas, they accept the basic premise that the importance of political parties in mobilizing the working-class vote and shaping popular preferences for redistributive policies in the U.S. has been secondary to these other influences. In this way, they reinforce rather than undercut the notion of the U.S. case’s resistance to explanation in general terms. Furthermore the arguments they put forward have not proved capable of carrying the explanatory burden created by the relegation of more general theories to secondary status.
The primary aim of this dissertation is to assess the degree to which this general political model has relevance in the context of U.S. welfare state development. As we have seen, much skepticism has been expressed on this point, particularly in the context of arguments that the U.S. is an "exceptional" case among the advanced market polities. Previous efforts to try and relate historical and contemporary differentials in welfare state generosity in the U.S. to the relative power of the Democrats have been inconclusive (Amenta and Carruthers 1988; Amenta and Zylan 1991; Dye 1966, 1984; Fry and Winters 1970; Sharkansky 1968). I think that they have been inconclusive because they have not adequately differentiated out those contexts in which the Democrats have constituted something comparable to European labor-based parties from those in which they represent something different, in political-organizational terms.

I do not want to suggest that effort has not been spent to try and fairly test the hypothesis that the Democratic party has had a great deal to do with welfare state development in the U.S. At the national level, the development of the welfare state was long attributed to Roosevelt’s ability to hold together something approximating a European farmer-labor alliance. Schlesinger’s classic account of the New Deal hinged on this idea (Schlesinger 1958), which has recently been emphasized in a comparative account by Gourevitch (1986). Gavin Wright, in his provocative analysis of spending by the New Deal emergency agencies, suggested that national party coalition-building was the primary reason for the geographical
allocation of relief funds (Wright 1974). For later years, Poole and Rosenthal (1991) and Hibbs (1987) have shown striking differences between Republicans and Democrats in their orientations on labor issues, including the minimum wage and their toleration of unemployment. Difficulties have inevitably arisen for this line of reasoning, however, because of the presence within the party of so many different constituencies, opinions and policy preferences.

In particular, attempts to deal with the regional differences within the Democratic party on welfare state issues have been fraught with difficulties. The U.S. is a highly variegated country, in terms of the socio-economic characteristics and interests of its component States. The Democratic party has always been less of a national entity than a coalition of State and local parties. Similarly, the American welfare state is, for the most part, decentralized. In order to effectively demonstrate links between the Democratic party and welfare state development, therefore, it has appeared essential to be able to prove a positive influence of the party on welfare outputs at the State level. It is at this level that the inconclusive results referred to above were obtained.

It has proved difficult to develop criteria by which to determine whether we expect the Democratic parties of particular States to behave like parties in the social democratic model. Moreover, the relevant criteria are by no means as simple as the distinction between southern and northern Democratic parties. As I stress in the next chapter, this is another aspect of American political development that can
be over-emphasized. Amenta and Carruthers (1988) have shown that excluding the southern States from tests of the effects of Democratic party incumbency on welfare state performance still fails to yield significant results.

The task of determining appropriate ways of testing the social democratic model at the State level would appear to be one to which geographers could appropriately contribute. Geographers have contributed to the literature on the American welfare state, but have largely steered clear of the analysis of the political mechanisms behind welfare state formation. They have largely confined their research activities to the analysis of contemporary variations in welfare generosity across the States (e.g. Wohlenberg 1976a,b,c); the exploration of geographical aspects of specific policy debates on labor market issues (Jones 1984a,b; Kodras 1986); regional aspects of poverty issues (Jones 1987; Jones and Kodras 1990); and specifically urban aspects of contemporary social policy (Mair 1986; Dear and Wolch 1987).

The lack of research, by political geographers in particular, into the political geography of the American welfare state is somewhat surprising. Geographers have long been concerned with questions of regional context, of which the question of American exceptionalism is an extreme example. The notion that the U.S. welfare state has its own particular set of causes is based largely on arguments about the U.S as a national entity which lacks a social democratic party. The contextual
aspects of American welfare state formation can easily be hypothesized to be more complex than this.

I introduce some of the required complexity by hypothesizing, in effect, that some State Democratic parties have behaved in a more social democratic manner than others, because the political contexts in which they operated earlier this century offered them incentives to move in a social democratic direction. Other State parties, because they faced different, more secure sets of circumstances, did not undergo such changes. The identification of parties which were likely to have changed into organizations approximating those specified by the social democratic model is a more accurate way to assess whether the model has no explanatory purchase in the U.S.

Conclusions

In this chapter I have described a general model of the politics of welfare state development. The social democratic model posits that linkages between working class political parties, electoral mobilization, and labor unions are the most general process underlying the development of welfare states in the 20th century. I have discussed the theoretical superiority of this model over its main alternatives, and suggested that important advantages accrue to the generality with which it can be applied.
Perhaps the most important barrier to the further development of the model is the case of the United States, which many have argued is an exception to the general processes it embodies. I have discussed the most important arguments as to why the social democratic model does not apply in the U.S. context, and the major responses to this problem in the literature.

Finally, I suggested that one way out of these difficulties would be to obtain a more meaningful assessment of which U.S. State Democratic parties were more likely to have behaved like social democratic parties at the time of the development of the American welfare state. To support the need for such an assessment, I noted that simpler measures, such as making sharp distinctions between southern and non-southern State parties, does not appear to suffice. This broad regional distinction has been, nevertheless, along with the federal organization of the polity, the most important way in which researchers have introduced geography into the study of the American welfare state. Before proceeding to explore a more complicated way of differentiating between Democrats in different parts of the U.S. in Chapter III, I discuss these simpler geographical arguments in more detail.
CHAPTER II
THE GEOGRAPHIC CONTEXT OF U.S. WELFARE STATE DEVELOPMENT

Introduction

In this chapter, I address the most frequent way in which researchers incorporate geography into discussions of the U.S. welfare state. This argument suggests that specific hypothesized effects of the U.S.'s federal state organization and specific hypothesized effects of the U.S.'s political sectionalism combined to weaken the development of the welfare state in the U.S. In particular, it emphasizes the role of the South in undermining American welfare state-building. I assess this set of ideas in connection with the decentralized set of social policies embodied in the Social Security Act of 1935.

First, I discuss the notion that federalism necessarily implies the development of "weak" social policies, arguing instead that specific, national features of the U.S. political economy are quite as much to blame for the consequences of policy decentralization in the American context. In particular I address the role of the Supreme Court in shaping the policy profiles of the States.
Secondly, I discuss some of the sectional issues involved in the passage of the Social Security Act. In particular I stress that the roles of northern industrial interests and southern planter influence were more complicated than the literature on the subject often implies. The roles of state capacity and political parties are further assessed in the light of these conclusions, and the necessity of a more complex geographical treatment of the role of the Democratic party in particular is emphasized.

Federalism, Sectionalism and U.S. Social Policy

In the late 1980s, a debate developed among American social scientists about the shaping of the Social Security Act of 1935. This act is generally acknowledged to be the foundation of the modern American welfare state. It created a national system of social security for retirees (initially supplemented by a Federal-State Old Age Assistance program), an unemployment insurance system administered by the States, and programs where Federal subsidies were made available for the States to aid particular disadvantaged segments of American society — the blind, the deaf, and dependent children. The early New Deal witnessed the creation of a number of innovative, but temporary, welfare state institutions, such as the Federal Emergency Relief Administration, the Civil Works Agency and the Works Progress Agency. The basic structure established by the
Social Security Act has, however, persisted to the present, which explains the much larger amount of scholarly attention it has received in recent years (Skocpol 1988).

Current debates have been stimulated by Skocpol’s arguments for a state-centered account of U.S. social policy. Critics have argued that Skocpol and her associates have been too quick to de-emphasize the importance of powerful societal influences in the creation of the Act. Jill Quadagno (1984), for example, has argued that experience with private benefit schemes in the 1920s (often referred to as "welfare capitalism") led big capitalists to use their influence through the Business Advisory Committee to press for the development of comprehensive social security policies. Domhoff (1990) has criticized the state-centered approach for neglecting the role of business-sponsored networks of policy institutions in shaping many of the Act’s crucial provisions. Jenkins and Brents (1989) have emphasized the importance of private sector elite anxiety over waves of strikes and protest in the early 1930s in explaining the dramatic innovations involved.

This debate has been acrimonious at times, but also remarkably fruitful. I have already noted how Skocpol’s views appear to have shifted as a result. There has been, in general, a greater concern on the part of state-centered researchers to consider societal influences in welfare state development (Amenta and Zylan 1991; Amenta, Dunleavy and Bernstein 1992). The debate has also led to a detailed examination of the historical record by social scientists, and a greater attention to detail in talking about "state structure" and "capitalist influence" on policy.
One remaining concern I have with this literature is its tendency to resort to generalizations regarding the geography of the Social Security Act, and the geography of U.S. social policy more generally. In particular, a simple sectional geography is often assumed, where the desires of northern constituencies for labor market intervention were thwarted by the South's ability to resist such policies through the federal structure of U.S. policymaking.

There can be no doubt that the South, in the postwar period, has to be reckoned with as a potential barrier to welfare state expansion. Accounts of social policy in the 1970s make this role abundantly clear (e.g. Moynihan 1973). I think, however, that we ought to be careful in assessing the relative importance of the South's role in the shaping of those features of the Social Security Act which today appear unsatisfactory. I will spend much of Chapters III and IV of this dissertation emphasizing distinctions between Democratic parties in the non-southern regions of the U.S.. In the present chapter I want to explore some of the reasons why I am not satisfied to stop with the distinction between northern and southern Democrats which is so common in the literature.

First, I will discuss the issue of the federalist organization of the U.S. polity, which is usually seen as having negative effects on social policy because it has afforded opportunities for conservative southern interests to block or weaken welfare state initiatives. I move on to examine the more specific claims, made in the literature on the Social Security Act, that southern rural conservatism was the
critical sticking point in the passage of comprehensive, national welfare state initiatives at the time. I do not think that southern rural conservatism was as strong a force in the mid-1930s as it had been earlier, or became thereafter. I suggest that it is more probable that labor-intensive industries in the South, along with their counterparts elsewhere, were the major economic interest involved in weakening the Act in 1935. Mid-20th century southern political life, despite the attempts by Key (1949) and others to analyze its complexities, is still often viewed as monolithic in literatures not explicitly focusing on southern developments because of its one-party character. If the southern situation was as complex as I think scholars have shown it to be, then we should be alert to the possibility that an even greater diversity of interest and party activity should be taken into account in focusing on the country as a whole.

An implicit assumption in much of the welfare state literature on the U.S is that federalism necessarily leads to weak welfare states. The U.S., Canada, Australia, and Switzerland are usually cited in support of this contention. However, the contrasting records of the Federal Republic of Germany and Austria remind us that the probable connections here are more complex than the argument that constitutional decentralization "causes" welfare state weakness. The most common argument made in this connection is that the U.S. states lack the capacity to create truly effective social protection policies, which only the Federal government can implement. This is implied in the common expression that such-and-such a policy
was "left to the States", as if to say that it was abandoned to a necessarily suboptimal fate. Another argument, commonly made by state-centered researchers, is that federalism contributed to an overall problem of fragmentation in U.S. policymaking, in which points of access for interest groups, including state managers themselves, became greatly multiplied in comparison with other polities. This, in turn, led to an erosion of overall (central) state capacity to produce comprehensive policy initiatives.

At this point, arguments regarding federalism intersect with those concerning the sectional nature of American political development. The South becomes a particular focus of interest in the context of welfare state decentralization because of its long-term association with "States' rights" ideology, and because of the labor-intensity of its plantation economy. I examine the role of the South in the formulation of the Social Security Act in some detail later in this chapter. For now, I only want to consider the assumption that the negative effects of federalism on U.S. welfare state development should be seen as a primarily Southern responsibility.

The American States are entities which vary markedly in size and economic structure. They are embedded in a larger polity, which presents difficulties in terms of States' abilities to manipulate many critical components of their economic environment, in particular, flows of goods, labor and capital across their boundaries. Because of this "porosity" (Eisinger 1990) of the States, one might
assume that any decentralization of major policy areas to their jurisdiction is unlikely to produce effective results. However, as Peter Katzenstein (1985) has made clear, a high degree of openness of a country's economy can be an important causal factor in the development of strong policies of social protection through developed welfare states. Lacking the ability to steer their economies through tariff barriers and other controls on goods and capital movements, many small European states, including the Scandinavian countries, have resigned themselves to developing flexible economic policies designed to facilitate adjustment to external influences, to compensating their populations for economic distress, and to enhancing their labor forces through effective social policy measures. In a well-known cross-national study, Cameron (1978) showed how the development of welfare states was in fact inversely proportional to the degree to which states' economies were "closed" and subject to greater macroeconomic control.

The case of the U.S. States, then, cannot really be explained by referring to an inability of governments in open-economy situations to furnish adequate social protection parallel to their lack of control over macroeconomic aggregates. However, the European states in Katzenstein's account have not been inert in terms of managing their economies either, and his research is focused precisely on their industrial policies. One of his major foci is how social policy developments have been intertwined with efforts to regulate economic growth and change. As Shonfield (1965) suggested in his classic account of the emergence of mixed
economies, the most successful social policies, such as those relating to manpower in Sweden, are designed to complement economic policies on the success of which they, in turn, depend. The argument that in order to be effective, social policy should be coordinated with economic or industrial initiatives, has been reiterated by many contemporary social policy scholars and advocates (e.g. Esping-Andersen 1985; Wilson 1989).

By focusing on the link between social and economic policy, I think we have a better chance of explaining why federalism in the U.S context appears to have had negative consequences for social policy development. Unable to make even limited efforts in the direction of coherent economic or industrial policy, the States have been pressured to adopt less-than optimal patterns of social protection. The literature on 20th century State economic development efforts, which have revolved around the luring of industrial investment through tax concessions, weak labor laws and low-cost "business climates" is a familiar one (Eisinger 1989, Cox and Mair 1988). In this context, it has been difficult for State governments to engage in effective social policy innovation, even at the minimal level of providing adequate benefits, because of concerns regarding the relative costs for businesses locating in their jurisdictions. The role of these concerns in the debates surrounding the shaping of the Social Security Act are well-known (Colin Gordon 1991), and they continue to dominate discussion of the flaws of decentralized welfare provision in the U.S. context (Peterson and Rom 1990). Labor cost differentials, of which
taxes supporting State welfare programs are an important component, have been
seen as an important stimulus to the economic rise of the "Sun Belt" and of the
weakness of social provision in many southern States (Cobb 1982).

These factors are clearly important in explaining the weakening effect of
federalism in the U.S. context. The resulting regional disparities in benefit levels
across the States have become a continual subject of academic research and of
widespread liberal dissatisfaction. It is important to stress, however, that federalism
is not the cause of such a syndrome. The real mechanism at work is, rather, the
distribution of powers within this particular federal polity. In other words we need
a focus on the reasons why the States have been unable to intervene as decisively
in their economies and labor markets as have small open-economy states elsewhere.

The absence of more concerted State efforts to combine less laissez-faire
industrial policies with more effective social policy, for example "human capital"
enhancement through retraining and greater regulated workers' participation, cannot
be explained with reference to the South. It can be attributed primarily to the
conscious denial of strong regulatory capacities to both the State and Federal
governments by the Supreme Court in the late 19th and early 20th century. The
limitations imposed by the Court on state intervention at either level are especially
important because they developed at the time when European polities were making
important strides in the opposite direction.
It is well-known that the Supreme Court of the 1890s through much of the 
New Deal period followed a fairly consistent policy of denying effective regulatory 
authority to the Federal government, on the grounds that this would interfere with 
the reserved rights of the States. At the same time, it struck down State-level 
initiatives in public ownership, wage and industry regulation, and social protection 
on the grounds that they interfered with interstate commerce, or deprived property 
owners of their rights under the due process clause of the Constitution (Currie 
1990; Murphy 1972: 1-160). The persistent striking-down of innovative policy 
measures during this period created a "no-man’s land" for economic and social 
policy matters between the States and the Federal Government which led to the 
conceptualization of this period by legal scholars as one of "dual federalism" 
(Corwin 1950; Fino 1988).

The Supreme Court is rarely stressed in accounts of American social policy. 
Its behavior is less easily traced to socioeconomic causes than that of other 
institutions, and is often discussed in legal accounts as if it were a mainly 
ideological phenomenon. The blocking effects of dual federalism on economic and 
social policy were, however, very real, and can be at least partially traced to the 
dominance of the Republican party over Federal court appointments in the late 19th 
century.

Walter Dean Burnham has repeatedly emphasized the need for social 
scientists to link the conservatism of the courts to changing patterns of party power
over this period. Responding to criticism (e.g. McCormick 1986) that his work under-emphasizes progressive aspects of policymaking in the 1896-1932 period, he has argued that the courts played a pivotal role in limiting progressive impulses. He suggests that northern business interests were important in shaping the decisions of the justices of the period. This business influence was mediated through the Republican party, the dominant party at the time. The Republicans, who had controlled the Federal executive branch most of the time since the Civil War, became almost completely hegemonic in northern States after 1896. By this time their national coalitions were clearly centered on business and financial interests (Burnham 1970, 1986; Bensel 1990). Although the relationship of the Supreme Court to the "realignment" of 1896 has been a subject of debate (Funston 1975; Beck 1976; Lasser 1985), its increasing inclination to strike down interventionist legislation aimed at helping farmers, and its large scale use of the injunction to break up labor disputes, became among the most important issues of the 1896 Presidential campaign. The election, which was won by a Republican ticket supportive of the Court's status and opinions (Westin 1953), dramatically weakened the Democratic party in the industrial states of the Northeast and Midwest, a development which will be taken up in Chapter III.

Because the court thoroughly muffled the initiatives involved, earlier State government experiments in social and economic intervention are not part of most discussions of the New Deal (but c.f. Patterson 1969). Examples abound however,
running from the efforts of insurgent agrarian parties in the plains to place grain storage and marketing under State government control (Saloutos and Hicks 1951) through the efforts in Kansas to set up a State board regulating business, wages, prices and working conditions (Murphy 1972) to the "little" National Recovery Administrations of the 1930s, a form of corporatism at the State level (Cohen 1948). Skocpol (1993) has stressed that reform coalitions were only able to make headway on social policy issues at the State level by tailoring policies to women and children because the courts frowned on any measures which appeared to represent interference by State governments in the operation of labor markets. Early State social policy initiatives have been broadly discussed by Katz (1986), who notes that social policies were only deemed permissible if they catered to those who found themselves outside the labor market through incapacity ("paupers"), or "nature" (women and children).

The Supreme Court, in creating and policing these boundaries of permissible policy, acted as a national institution, and was shaped by interests capable of effectively operating at the Federal level, through the Presidency. The weakening of the capacity of State governments to undertake experiments, which might have led to their developing more adequate economic policies in an open-economy context, had the effect of encouraging weak social policies as cost-cutting efforts in competition for industry. This was one implicit economic policy which, in its lack of interference with business, proved acceptable and resilient. This
policy profile was, therefore, not a necessary consequence of federalism. It was a consequence of the control of the Federal government and most of the State governments in the Northeast and Midwest by business-oriented Republicans in the late 19th and early 20th centuries.

If clear sectional influences are sought for the effects of federalism on social policy in the U.S. context, the northern, most "developed" region of the country presents us with explanatory possibilities at least as good as those of the southern ideology of states' rights. In the late nineteenth century, the courts and the legal profession more generally were becoming increasingly linked to business networks and operations (Hall 1989) and Federal judges were mainly appointed by Republican presidents. After several decades of these patterns, the permissible boundaries of State policy had been set, and States found it hard to pursue more imaginative strategies than luring business through keeping labor costs down and restraining demands for costly social policy initiatives. The South did not create these conditions, but it is understandable that emerging southern business interests took advantage of them. Under these circumstances, it was inevitable that the South, as the poorest and least industrially developed region of the U.S., would be able to capitalize on its lower wages and benefits in the competition for industry, and that the policy patterns of the other States would be strongly affected by real and perceived southern competitive advantages.
I move on to consider the specific effects of federalism and sectionalism on the Social Security Act of 1935. Three in particular need to be mentioned. Firstly, federalism provided opportunities for State and local interests to lobby against the Act at the national level. Although large, capital-intensive industries have been suggested to be in favor of, or at least neutral towards, the Act (Ferguson 1984; Quadagno 1984; Jenkins and Brents 1989), federalism provided opportunities for State-level labor-intensive business elites to lobby effectively against the centralization of its provisions. Using organizations established to pressure State governments, labor-intensive industries had organizational resources they might have lacked in a unitary state. Quadagno (1984), Domhoff (1990) and others have noted the role of the Ohio and Connecticut manufacturers’ associations in ensuring that the Act would not result in a national welfare state.

In perhaps the most extensive account of State-level business maneuvering at the time, Colin Gordon (1991) has argued that these enterprises were concerned about their possible loss of competitive advantage if labor costs were forced upwards by national benefit standards. These fears eventually won out over the concerns of businesses operating at larger scales. Bigger businesses were concerned that the patchwork of social policies which would result from a decentralized welfare state would impose extra costs on firms operating in several States, and could leave the door open to radical State-level initiatives in response to the depression. The access which federalism afforded smaller business interests
indubitably affected this outcome, as it did many New Deal policies (McConnell 1966: 166-95; Brand 1988).

Skocpol and Ikenberry (1983) and Orloff (1988) have argued from a state-centered point of view that resistance from State-level bureaucrats was important in blocking the greater centralization of the U.S. welfare state. Because many State governments had already developed programs in several of the social policy areas covered by the Act by 1935, the administrators of these programs lobbied Congress extensively for a set of decentralized policies based on grants-in-aid. In particular, Edwin Witte, who had been instrumental in the development of Wisconsin's social policy profile, was intimately involved in drafting the Act, and opposed to centralization of all its components (c.f., for example, Witte 1935).

This argument has been criticized for over-emphasizing the ability of State-level bureaucrats to decisively re-shape such a major Federal policy initiative. State administrators of the programs established under the Act were later often forbidden to allow Federal encroachment on State responsibilities, as was the case in Minnesota after 1949 (Rourke 1952: 10). State-centered researchers have produced scant evidence, beyond recounting the views of Witte, to back up their claim that this was a pervasive practice before 1935, or that State level bureaucrats more broadly lobbied Congress on this point. Domhoff (1990) has contended that these statist arguments neglect the wider social networks of State-level elites in which these bureaucrats operated. He has also questioned the plausibility of the
argument's claim that these State bureaucracies, which in most cases were very recently established, could plausibly exert influence so quickly. On balance this theory has had fewer adherents than that emphasizing State-level business interests.

We should note that these effects of federalism on the creation of the Act were not specifically related to southern interests. Southern business organizations, it has been suggested, were if anything much weaker lobbying devices than their northern counterparts (Tindall 1969). Whether or not one accepts its validity, the argument that State-level bureaucrats played a strong role in resisting Federal encroachment on their responsibilities clearly has a rather broad application.

One set of specifically southern interests benefiting from a decentralized polity has been insisted on as a key to the weakness of U.S. welfare state in some of the recent literature. Southern planters, it is argued, were antipathetic to the idea of a Federal welfare state, and strove to create a structure of social protection which could be manipulated locally to their advantage (Alston and Ferrie 1985). The implication here is that these interests, operating through southern representatives and senators in Congress, were disproportionately influential in weakening U.S. social policy. This argument has been broadly echoed by Jill Quadagno (1988a,b). I do not doubt that some planter influence was exerted during the debates on the Social Security Act. However, the "planter obstacle" thesis, in suggesting that resistance to the American welfare state primarily came from traditional, near-obsolescent pre-capitalist elites, distracts attention from more
durable sources of opposition, and helps reinforce a picture of the geography of U.S. welfare state development in which we are tempted to de-emphasize differences among non-southern states.

Agricultural and domestic workers were originally excluded from coverage under the Social Security programs. This was clearly beneficial to landowners, farmers and urban elites, and particularly affected the African-American population. As such, it was in the perceived interests of important parts of the constituencies of southern senators and representatives. These individuals were, moreover, disproportionately represented among the Democrats on the major committees responsible for shaping the Social Security Act before it came to a floor vote. Decentralization, likewise, can easily be argued to fit in with a post-Civil War southern insistence upon "State's Rights". The conservatism of southern members of congress is the most common explanation for the weakness of the Social Security system, as it has been for the weakness or failure of most reformist national policy initiatives that one can think of.

A more specific argument has been put forward repeatedly in the literature, in which a peculiarly southern desire to construct local labor-repressive state programs plays a prominent role. Because of the seasonal nature of plantation work, planters desired a framework of social policy in which benefits would be available during periods of the year in which labor was idle, and in which benefits could be cut off when cheap workers were needed for planting and harvesting.
Sanders (1978), and Sanders and Bensel (1991) show that this was indeed a consequence of State and local control over welfare programs in the post New Deal period.

In my view, however, we have to be cautious in inferring from these consequences a dominant planter role in opposing or shaping the Act. I say this for several reasons. Because of the seniority system in Congress, and the fact that those Democrats who had the longest terms of service in the House and Senate were mostly southern (Bensel 1984), it is not surprising that when the passage of New Deal legislation through committees is examined, southerners turn out to have played the most prominent role in shaping it. We cannot, of course, conduct a controlled experiment in which we randomly assign congresspersons from other regions to these committees and watch for differences in the bills that emerge. For this reason, we have to resist drawing the conclusion that legislation handled by southerners was primarily shaped to exclusively southern interests. Researchers, as I noted above, have found plenty of non-southern opposition to the same potential provisions of the Act.

Lest it be thought that the exclusion of agricultural workers inevitably points to planters as the main influence on the Act, it should be noted that agricultural coverage was a nationwide obstacle to the passage of child labor legislation in the early 20th century. The Federal Child Labor Amendment ultimately failed because of effective lobbying on this issue in northern States (c.f. U.S. Department of Commerce (Bureau of Labor Statistics) v.d., September 1933; The American Child (March 1925; April 1935); Skocpol 1993).
We must also be careful not to infer planter influence on the Act's provisions from the consequences these provision had in southern plantation areas. There were other industries just as seasonal and labor intensive as plantation work, such as canning and food processing, which were not located primarily in the South, and are rarely mentioned in these accounts. The Report to the President on Income Maintenance (1969) contains an interesting account of California's general assistance program, which notes similar local purging and reopening of the welfare rolls in line with seasonal needs in many agricultural and food-processing counties. Piven and Cloward (1971) have built a theory of the American welfare state as a whole using such more widespread evidence.

Several further points can be made with reference to the more general argument that the conservatism of congressional representatives from planter districts was the major impediment to a comprehensive welfare state in 1935. Firstly, by no means all of the important opposition to the creation of a Federal welfare state came from Democrats, southern or otherwise. Secondly, it is not clear that the most important opposition to centralization and universal coverage came from the South. Even if southern conservatism is seen as a subordinate factor among others in explaining the Social Security Act, it is not even clear that southern rural representatives and senators were more broadly "conservative" on labor market issues at the time than their northern and urban colleagues. Alternatively, they may have been motivated solely by elite pressures on particular
aspects of such redistributive policy. Evidence from the patterns of ultimate opposition to the Act suggests that if such elite influence was a factor in the final vote, the most important southern interests in question were not rural planters but urban-industrial elites. I will consider each of these points in turn.

The Senate Finance Committee and the House Ways and Means Committee, which had the major responsibility for shaping the Social Security Act, were not solely populated by northern or southern Democrats. Neither was the 74th Congress, despite its overwhelming Democratic majorities. Only around 25% of Congressmen in the 74th Congress were Republicans (103 members to the Democrats' 319). Only 26% of Senate seats were Republican, with 25 senators to the Democrats' 69. Matters would soon worsen for the Republicans, with the party reduced to 89 seats (20.5%) in the 75th Congress of 1937-38.

Such minority status for the Republicans, despite the superlatives often used of the New Deal situation, was not unprecedented. The Republicans had labored under such conditions in the early 1890s: in 1891-93 the House was only 26.5% Republican. That situation was soon reversed by the realignments of the 1890s, in which voters revolted against President Grover Cleveland, the incumbent

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14 The only period in the history of Congress in which one party held a lesser proportion of seats was from 1805-1825, when the Federalists entered their terminal decline. This culminated in their holding only 12.2% of House seats in 1823-35. Matters had verged on this for the Democrats, as well, during the 39th Congress of 1865-7, the first Reconstruction Congress after the Civil War, when they were down to 22% in the House. All figures in this and the following paragraphs have been calculated from Congressional Quarterly, Inc. (1975): 928.
business Democrat. This should caution against our writing them off as a potential force in the 1930s, as was surely noted by Democrats at the time. In fact, they recovered much lost ground with relative ease after Roosevelt's second term. The greatly enhanced power of the Democracy during the New Deal has led to an unfortunate neglect of the role of the Republican party in influencing legislation, particularly in committees. From a geographical point of view, the important role of southern Democrats in these same committees should not obscure the fact that most of the Republicans, the conservative party of the day, in the 74th Congress were from the Northeast and Midwest.

The map in Figure 1. shows the distribution of Republican House districts in the 74th Congress of 1935-36. The most striking thing about the regional distribution of seats for the party of opposition to the New Deal is their concentration in the Northeast and Midwest. Given that "insurgent", or "progressive Republicanism" was largely associated with western, and plains states ¹⁵ (Hechler 1965), the conservative "core" of Republican seats was concentrated in the geographical core of the country. Just as the South had been the "core" of Democratic party support when Republicans had been hegemonic, the States of the industrial Northeast and Midwest would form the basis of a recovered, basically conservative, Republican party in the 1940s. Figure 2 shows the pattern

¹⁵ By this time, Wisconsin and Minnesota Progressive Republicans had formed their own parties as a solution to intra-Republican tensions.
Figure 1: Republican Districts, 74th Congress (1935-36).
Figure 2: Republican Districts, 80th Congress (1947-8)
of Republican seats at the party’s postwar House zenith, in the 80th Congress of 1947-48. Continuing Republican strength in northern States was supplemented by large gains in the West at this time. Conservative Republican figures such as Robert Taft, William Hartley, and Joseph McCarthy were as genuinely products of this region as Adlai Stevenson, the Kennedys or even Nelson Rockefeller, the figurehead of the Republican party’s "liberal" wing.

This northeastern and midwestern strength is important, because of a tendency to identify Republican conservatism with the West and, later, the South (Davis 1986). Certainly, the growth of the "Sun Belt" has been a critical part of the story of the Right’s capture of the Republican Party since the 1960s (Phillips 1970; Ferguson and Rogers 1984), but this should not lead us to over-simple generalizations regarding a parallel Republican liberalism in the industrial "core" region. The successful blocking operation which Republicans mounted against the expansion of the welfare state in 1947-48, including resistance to expanded public housing initiatives, a greater role for the state in health care, and a liberalization of transfer programs, not to mention the severe weakening of the Wagner Act, had its regional foundations just as much in the Northeast and Midwest, as it did in the periphery. So did the resolute opposition of "core" Republicans to the Social Security Act in the mid-1930s. Republican committee members were solidly opposed to the measures therein, and this opposition fortified the ability of agricultural interests on the Democratic side to dramatically weaken its provisions,
and provided a conduit for industrial interests in northern states which had Republican delegations (Altmeyer 1968; Martin 1976).

Given its numerical predominance in the congresses of the 1930s, more attention has been paid to divisions within the Democratic Party in the welfare state literature. Generally, scholars have tended to present a geography of these divisions which centers on differences between the liberalism of the cities in the North and West, and on the conservatism of the South, of southern rural senators and representatives in particular (Quadagno 1988b; Alston and Ferrie 1985; Domhoff 1990). Although the power of southerners in committees as a result of seniority cannot be gainsaid, we have to be careful in moving beyond this to claim that southern electorates systematically elected more conservative members of Congress than those in other regions of the country, or that southern congressional conservatism was primarily rural in origin, and directed in the interests of plantation elites.

James Patterson's *Congressional Conservatism in the New Deal* (Patterson 1967), must be one of the most-cited books on the period. It has frequently been referred to in support of the view that the congressional "bloc" opposing Roosevelt was centered in the South. Even putting aside the role of northeastern and midwestern Republicans, which was increasingly strong from the late 1930s onwards, such clear conclusions cannot really be drawn from the work. Firstly the book is a dynamic account of the development of congressional opposition to "New
Deal" policies over the period, which stresses the incoherence of opposition until quite late in the decade. It cannot really be cited as evidence of strong or coordinated southern, let alone planter-inspired, opposition to FDR's programs in 1934-35. Secondly, as has only been clearly pointed out in recent debates, to my knowledge, by Frances Fox Piven (1991), southern senators were less conservative in terms of their opposition to the Roosevelt administration than their Democratic colleagues from other regions. Most southerners in the House, where they formed a larger component of the "conservative bloc", were not consistently conservative either.

Patterson measured congressional conservatism through an analysis of roll-calls on New Deal measures over the entire 1933-39 period, and so his estimates will overstate the degree to which southerners voted against the New Deal in 1935. Nevertheless, over the entire period, only 34.3 % of the most "conservative" Democrats in the Senate were from southern and border States, leaving 66.7% who were not. One could argue that the overall proportion of southerners in the Senate Democratic total was smaller than that contributed by the rest of the country, and that looking at the southern percentage of all conservative Democrats at the time is misleading. Yet the proportion of Democrats who were southern, 43.47 %, using the regional proportions in the 74th Congress as a base\(^\text{16}\), is still higher than one

\[^{16}\text{This proportion only became smaller during the 75th congress of 1937-38, and so would seem a fair base for the calculations.}\]
would expect if conservatism had been evenly distributed among regions, let alone concentrated in the South\textsuperscript{17}.

In the House on the other hand, 43.6\% of Democrats were southern, while 61.0\% of the most "conservative" Democratic representatives were southern. Clearly, then, southern representatives were more likely to vote against the administration than their non-southern colleagues. This contrast between House and Senate probably reflected the shorter period between House elections, which allowed for the entry of a substantial number of newcomers to the body in the early New Deal in other parts of the country. In the South, incumbent Democrats were more immune against the effects of the 1932 realignment.

This evidence of the greater conservatism of southern representatives relative to representatives from other regions, should not obscure the fact that only 33.8\% of House southern Democrats were, in fact, "conservatives", according to Patterson's account. The majority of House members over the period were relatively liberal in the 1930s, and the southern edge in conservatism reported here should be placed in the context of a southern delegation which was largely supportive of the New Deal. That support was only less overwhelming than that emanating from elsewhere.

\textsuperscript{17} Figures in this and the following paragraphs are calculated from Patterson's lists of "Conservative" members of Congress in the 1930s, based on their records over the decade in voting against New Deal policies (Patterson 1967: 339-352), and on data on the composition of Congress in Congressional Quarterly, Inc (1975): 928.
Moving beyond this general picture, a more specific test of southern rural conservatism on welfare issues would be to examine who voted against the Social Security Act when it passed in the House. This pattern is usually unexamined because of the overwhelming support which the modified Act received, and because of the importance of committees in its formulation. Granted the tremendous importance of committee activity in explaining the form the Act took, because of the popularity of the measure, the tremendous symbolic significance of voting against it, and the clear relevance of such an action for identifying stalwart conservatives, a brief examination still seems important. Were rural southern Democrats amongst the most determined general opponents of the American welfare state in 1935?

Table 1 lists those representatives who voted against the Social Security Act when it passed the House on April 19th 1935. Only 33 did so, with two more, Republicans both, abstaining by voting present\(^\text{18}\). Two Minnesota Farmer-Labor representatives, including Ernest Lundeen of Minneapolis, voted against the act in retaliation for the failure of the Congress to take the "Lundeen Bill" seriously enough. This was a radical alternative set of measures, which would have gone further than most programs eventually established in Western Europe\(^\text{19}\). In total

\(^\text{18}\) The Republicans in question were Rich, of Pennsylvania's 16th District (Woolrich), and Knutson of Minnesota's 6th (St. Cloud). Neither of these districts contained significant urban, industrial or mining centers.

Table 1: Members of Congress Voting Against the Social Security Act

<table>
<thead>
<tr>
<th>PARTY AND NAME</th>
<th>District</th>
<th>Urban, Industrial or Mining Concentrations</th>
<th>Change in Electorate Support In 1936 Election</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REPUBLICANS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merritt</td>
<td>CT 4</td>
<td>Bridgeport, Stamford</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Andrew</td>
<td>MA 6</td>
<td>Lynn, Salem</td>
<td>Retired</td>
</tr>
<tr>
<td>Hoffman</td>
<td>MI 4</td>
<td>None</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Burdick</td>
<td>ND A.L.</td>
<td>None</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Lemke</td>
<td>ND A.L.</td>
<td>None</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>McLean</td>
<td>NJ 6</td>
<td>Elizabeth, Union City</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Perkins</td>
<td>NJ 7</td>
<td>None</td>
<td>Margin Increased</td>
</tr>
<tr>
<td>Bacon</td>
<td>NY 1</td>
<td>Long Island Suburbs</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Mercantanrio</td>
<td>NY 20</td>
<td>Manhattan</td>
<td>Defeated</td>
</tr>
<tr>
<td>Millard</td>
<td>NY 25</td>
<td>Rockland/Westchester Co. Suburbs</td>
<td>Margin Increased</td>
</tr>
<tr>
<td>Goodwin</td>
<td>NY 27</td>
<td>None</td>
<td>Margin Increased</td>
</tr>
<tr>
<td>Hancock</td>
<td>NY 35</td>
<td>None (Syracuse)</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Taber</td>
<td>NY 36</td>
<td>None</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Wadsworth</td>
<td>NY 39</td>
<td>Suburban Buffalo</td>
<td>Margin Increased</td>
</tr>
<tr>
<td>Andrews</td>
<td>NY 40</td>
<td>Suburban Buffalo</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Reed</td>
<td>NY 43</td>
<td>None</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Hollister</td>
<td>OH 1.</td>
<td>Cincinnati</td>
<td>Defeated</td>
</tr>
<tr>
<td>Bolton</td>
<td>OH 22</td>
<td>Suburban Cleveland</td>
<td>Defeated</td>
</tr>
<tr>
<td><strong>DEMOCRATS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Huddleston</td>
<td>AL 9</td>
<td>Birmingham</td>
<td>Retired</td>
</tr>
<tr>
<td>Tolan</td>
<td>CA 7</td>
<td>Oakland</td>
<td>Margin Increased</td>
</tr>
<tr>
<td>Stubbs</td>
<td>CA 10</td>
<td>L.A. Suburbs</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>McGroarty</td>
<td>CA 11</td>
<td>L.A. Suburbs</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Hoeppel</td>
<td>CA 12</td>
<td>L.A. Suburbs</td>
<td>Retired</td>
</tr>
<tr>
<td>White</td>
<td>ID 1</td>
<td>Numerous Mining Centers</td>
<td>Margin increased</td>
</tr>
<tr>
<td>Monaghan</td>
<td>MT 1</td>
<td>Butte, Anaconda</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Summers</td>
<td>TX 5</td>
<td>Dallas</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Lanham</td>
<td>TX 12</td>
<td>Fort Worth</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Bland</td>
<td>VA 1</td>
<td>Hampton, Newport News</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Darden</td>
<td>VA 2</td>
<td>Norfolk, Portsmouth</td>
<td>Retired</td>
</tr>
<tr>
<td>Burch</td>
<td>VA 5</td>
<td>Danville, Martinsville</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td>Robertson</td>
<td>VA 7</td>
<td>None</td>
<td>Margin Reduced</td>
</tr>
<tr>
<td><strong>FARMER-LABOR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lundeen</td>
<td>MN 3</td>
<td>Minneapolis</td>
<td>Retired</td>
</tr>
<tr>
<td>Kvale</td>
<td>MN 7</td>
<td>None (St. Cloud)</td>
<td>Margin Reduced</td>
</tr>
</tbody>
</table>

**SOURCES:** Congressional Directory, 74th Congress, 1st Session; Journal of the House of Representatives, 74th Congress, 1st Session
only 8.1% of House members in the 74th Congress were prepared to go out on a limb and publicly fail to support this piece of legislation. The risks inherent in doing this are evident from the re-election information in the Table. Republicans continued to decline generally in the 1936 Congressional elections, and so it is hard to draw conclusions from the record of those individuals opposing the Act. Democrats, on the other hand, clearly had a high probability of being re-elected with stable or increased margins. The record in these respects of the Democrats voting against the Act was decidedly mixed.

At the level of the immediate interests of agricultural elites, the major problems with the Act — coverage of agricultural workers, and social security taxes on farmers — had been taken care of in committee before this vote. However, we should expect a deeper set of conservative attitudes regarding the proper role of government, and particularly the Federal Government, vis-a-vis social problems to come through clearly in the votes of at least some southern rural representatives if the "planter obstacle" thesis regarding the U.S. welfare state is as powerful as sometimes suggested.

In fact, as the table shows, Democratic opposition to this massive expansion of the permanent U.S. welfare state at both Federal and State levels, although confined to the South and West, emanated largely from those parts of the periphery least likely to have representatives dependent on the support of elites in the agricultural sector. It is surely too much of a coincidence that several of these
representatives came from some of the most urbanized districts in the region, including Birmingham, Dallas, Fort Worth and the Norfolk-Portsmouth-Hampton-Newport News port complex in Virginia\textsuperscript{20}. Several represented suburban areas in California. Some of the other Democrats who risked opposing the Act, while not from major cities, came from districts with specializations in one or other labor-intensive non-agricultural activity: mining activity in the case of the 1st Districts in Montana and Idaho respectively, and labor-intensive textiles, chemicals and tobacco processing in the Danville-Martinville area of Virginia (Virginia's 5th district)\textsuperscript{21}.

\textsuperscript{20} It might be suggested that this last region, parts of which lay in both Virginia's 1st and 2nd Districts, only experienced large scale non-agricultural growth with the onset of the Second World War and associated re-armament. Although this later growth was certainly dramatic (Gottmann 1969: 491 ff), the locality had already experienced a wave of military-initiated growth around World War 1. Subsequent demobilization was partially off-set by the development of more commercially-orientated port industries in the 1920s. These supplemented its established role as distribution center for a large part of the upper South. In the words of the 1940 WPA Writers' Program Guide, Norfolk had become "the outlet of an immense back country, including the Virginia and West Virginia coal fields". "Industrially", the Guide concluded, "Norfolk is now one of the foremost cities of the New South" (U.S. Federal Works Agency 1940: 241, 244). The shipyard of the Newport News Shipbuilding and Dry Dock Company, in the early 1950s "the largest unit of manufacturing in Virginia" (Gottmann 1969: 422), and had exceeded this level of employment during the 1940s. It had long been a major concentration of non-Agricultural employment in the region, as "the Tidewater terminus of the Chesapeake and Ohio Railway and the home of one of the largest shipyards in the world" (U.S. Federal Works Agency 1940: 259). cf Also University of Virginia (1946); Humbert (1929).

\textsuperscript{21} Danville had long been one of the South's most precocious industrial centers. The cotton textile industry in the shape of the Dan River Mills began here in the 1880s, which, if the concern had not had locations scattered through the city,
In fact the only Democrat voting against the Social Security Act who depended upon an unambiguously rural-agricultural district was A. Willis Robertson of the most northern of Virginia's Appalachian districts, the 7th. This was certainly an ideologically anti-welfarist constituency, containing the birthplace of Harry Byrd Sr., one of the most consistent and deliberate opponents of the leftward turn of the Democracy in the 1930s and 1940s (Koeniger 1982; Patterson 1967: 29-30; Wilkinson 1968)\textsuperscript{22}. It was not a planter district, however, and so does not provide further evidence for the thesis that Southern opposition to New Deal welfare state expansion was primarily rooted in the plantation economy. The only district where planter influence is plausible as an explanation for the vote in this case is the 5th, in the heart of Virginia's tobacco region. As this district also included Danville and Martinville, and hence the potential for strong influence from labor-intensive industrialists, a conclusive hypothesis in this regard could not be made without a closer exploration of patterns of influence and attempted influence on politicians in this region than I can furnish here.

\textsuperscript{22} This locality would maintain its conservatism: in the 1980 Presidential election it would produce a larger vote for Ronald Reagan than any other Virginia district (Congressional Quarterly Inc. 1981: 1245-6).
Was this absence of broad rural Democratic opposition to the Act simply a consequence of calculations of short term interest on the part of rural Democrats or their more influential constituents? In other words, did they see any point in opposing the Act on the basis of a more general anti-welfarism after their more specific objections had been taken care of by their colleagues in committee? A glance at the list of Republicans voting against the Act suggests otherwise. While die-hard opposition among Republicans came again primarily from urban and suburban districts, there were significantly more rural Republicans prepared to vote against the Act (seven, plus two abstemptions), even if we count Syracuse, NY, as being a major urban center from the point of view of this discussion. Broad opposition to an expanded state role in labor markets and social protection was, then, a quite viable option for rural representatives in the North, but not, it seems in planter districts of the South, where franchise restrictions ought to have made such a stance easier to take.

This contrast is, in the end, the most striking feature of the profile. Southern rural representatives, apparently facing the least dangerous re-election conditions in the country, chose to support the most dramatic extension of state intervention in labor markets in U.S. history, surely suspecting that eventually many of the provisions protecting agricultural labor markets and State discretion would be relaxed. At the same time, several northern rural Republicans, generally facing stiffer election contests, voted against it.
Some of this rural Democratic - Republican disparity could be attributed to party loyalty. It is always difficult to separate partisan from regional effects in such a geographically-polarized party system as that in the U.S. This cannot have been the major factor at work. Although the loyalty of southern representatives was to become much more strained from 1937 onwards, several votes in the same congressional session revealed quite sharp differences among Democrats, particularly over economic policy, in which southerners were important dissenters from administration policy. Several votes designed to force disclosure of assets and incomes by wealthy Americans, for example, revealed differences among Southern representatives, and between "core" and "peripheral" Democrats generally (Journal of the House of Representatives, 74th Congress, First Session Jan 24th, Feb 4th, March 11th, 1935). Likewise, the attempt to keep the National Recovery Administration, the centerpiece of the first New Deal, in operation, proved capable of detaching significant southern and western support from an important initiative (op. cit. June 14th)23.

Above all, whatever the Republicans may have said about Social Security in the 1936 presidential election, the passage of the Social Security Act was not a particularly partisan affair. The great majority of Republicans and Democrats supported the amended measure on its arrival at the floor. A few nay-saying planter

23 On these conflicts between Southern and "core" Democrats over economic policy which, if anything, intensified over the 1930s, cf. Sanders (1982), and more generally, Hawley (1966).
representatives, voting against the Act in displeasure at welfare expansion, would have had no impact, in the end, on its chances of passage.

How do we account for this situation? Not, I think, by claiming that southern planters and landowners were supporters of Social Security for urban dwellers and most non-agricultural workers. On the whole, I think the pattern confirms the importance of industrial and mining elites in opposing welfare expansion in the U.S. Representatives of several southern urban-industrial constituencies voted against the Act, as did Republicans from urban districts in Manhattan, Buffalo, New Jersey, Cleveland, northeastern Massachusetts and western Connecticut. Given the dominance of labor intensive industries in the South at this time (Merrill 1985; Wright 1986), we can probably conclude that much southern opposition to an expanded Federal welfare state came from the same sources as scholars have emphasized in other regions, although the influence of particular southern constituents may again have been magnified by links with important committee members.

24 The issue of business influence on southern members of congress is complicated by the fact that some individuals whose business was concentrated outside the South cultivated southern members assiduously. New York financier Bernard Baruch, who had a close relationship with, among others, Pat Harrison of Mississippi, the chair of the Senate Finance Committee in the 1930s, is a good example (Schwartz 1981; Swain 1978). Harrison was undoubtedly more influenced by business progressives in Mississippi than by the needs of planters. Morgan (1985) discusses Harrison’s links with the faction of the Mississippi Democratic party led by Governor Hugh White in the mid-1930s. The centerpiece of White’s plans for the State was the Balance Agriculture with Industry (BAWI) program of 1935, which is usually cited as the first clear example of the modern form of State
Conclusions

In this chapter I have addressed the major way in which geography has entered into recent discussions about the development of the American welfare state, focusing particularly on the pervasive notion that the South is the key region to understanding this process. I discussed the responsibility of federalism for the weakness of the welfare state, and argued that any weakening influences it may have had were not consequences of southern states’ rights sentiment. I examined specific claims that southern rural elites were the most consequential opponents of, and weakening influences on, the Social Security Act of 1935. I suggest that negative southern influences have been overplayed in much of the recent literature, and that the strongest southern opposition to its provisions probably came from labor-intensive industry rather than from the plantation elites usually stressed in recent accounts. Opposition from this type of industry was not, of course, confined to southern States.

The fact that certain labor-intensive non-agricultural interests, North, West and South, are more likely to have been decisive in preventing the creation of a more comprehensive, national welfare state in the U.S. makes sense when we consider that otherwise, the American welfare state could hardly have remained so weak, so long after planters had lost most of their political clout (Quadagno economic development policy relying on explicit subsidies to business from other States (Cobb 1982; Eisinger 1989).
1988b). Congress proved unable to agree on nationalization of the unemployment insurance system as late as 1966, when Democrats again enjoyed lop-sided majorities (Haipham 1987). It seems extremely unlikely, moreover, that Congress will attempt any such step in the foreseeable future.

A fascination with the dominant, reactionary views of much of the southern elite and white population in the mid 20th century should not lead us to exaggerate the burden the South, the pre-New Deal South of planter hegemony in particular, bears for the U.S.'s 20th century social policy difficulties. The South, in fact produced some of the more striking liberal programs of the period. The first wage and hours bill considered by Congress during the New Deal was authored by Hugo Black of Alabama (Leuchtenberg 1963).25 The most influential "leftist" alternative to the New Deal was surely Huey Long's Share our Wealth program, with its associated network of clubs (Amenta, Dunleavy and Bernstein 1992; Brinkley 1982), which was rooted in southern politics. Claude Pepper, who effectively saved the first Federal minimum wage by campaigning vigorously on the issue in Florida in 1938, is another example which comes to mind.

In many ways the New Deal itself was a southern product, because Roosevelt, initially shunned by the northeastern wing of the Democratic party leadership, gained the Democratic presidential nomination largely because of

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southern (and western) agrarian support. The South, of course, formed the core of his coalition in these early years (Craig 1992). Ironically, then, the South made an expanded welfare state a reality for most Americans, and not merely a desideratum of northern academics. Of course, the restricted local political systems in the region made welfare state development an uphill struggle at the time for liberals in the South itself. The New Deal situation was, nevertheless, a far cry from that prevailing when the first national welfare program in the United States, the system of late 19th century Civil War pensions, offered Federal social protection to non-southerners only. The geographical disparities we observe today in the pattern of welfare generosity across the States which was handed down to us by the Social Security Act seems remarkably benign when set against this stark pattern of sectional exclusion (Bensel 1984; Skocpol 1993).

It is necessary in the light of this to adopt a more complex treatment of the role of the Democratic party outside the South. Too much focus on the contrasts between the South and rest of country in literature has led researchers to neglect important differences between non-southern Democratic parties. Because these differences are not considered, applications of the social democratic model to the American context have been uninformative. In the next chapter, I make an attempt to differentiate between State Democratic parties on the basis of their likelihood of behaving analogously to European labor-based parties. Important differences between non-southern States are revealed which will be related to patterns of welfare state generosity in Chapter IV.
CHAPTER III
THE GEOGRAPHY OF DEMOCRATIC PARTY POWER

Introduction

Clearly, the Democratic party in the United States is not a "social democratic" party in the strict "European" sense. Neither was it such a social democratic party in the 1930s and 1940s, despite certain aspects of its national policy-making and institution-building activities. Having said this, it is not at all clear that the equally European terms "Liberal", or "Conservative" can readily encompass the complexity of the organization, then or now. Defying the categorizations which have proved useful in cross-national research in Europe, the extent to which groupings with diametrically opposed goals on major policy questions have remained accommodated in the same organization has at times strained belief. The history of the Democratic party is littered with basic conflicts between such groupings. The disintegration of the party in the mid 19th century over an issue as fundamental as the extension of the capitalist labor market was followed, after the war which this disintegration facilitated, by a prolonged, and
farm policy issues. These struggles finally culminated in fusion with the People's (Populist) party, the three agrarian presidential campaigns of William Jennings Bryan (in 1896, 1900 and 1908), and the party's being overwhelmed by the Republicans in the national arena and in most of the important state political systems in the northeastern core for much of the 1896-1932 period.

As Douglas Craig (1992) has recently demonstrated, the decade immediately preceding the New Deal was no exception to this pattern. Alongside the ethnoreligious conflicts which have been generally viewed as the main internal party disputes of the 1920s (Burner 1967), serious cleavages developed between the northern and peripheral wings of the party over economic and social policy. Northern party elites, generally anti-statist and conservative on economic and social questions, sought to use the repeal of prohibition as a wedge against government regulation, and to build popular support in the North, while moving the party far closer to the Republicans on farm policy, business regulation, the tariff, and social legislation. The electoral strategies of 1920, 1924 and 1928, Craig argues, were crafted primarily by this elite to erase the stigma of radicalism that they perceived to have become attached to the Democrats since Bryan's campaigns. The peripheral wing of the party, numerically powerful but resource poor, remained far more attached to this "progressive" agrarian legacy, and to the more expansive vision of the state which had been articulated, and to some extent implemented, under the first Wilson administration (1913-1916). This grouping, after a series of policy
defeats during the 1920s, coalesced around the candidacy of Franklin Roosevelt in 1932, whose nomination was strongly opposed by northern party elites.

Thus, it seems to strain matters greatly to suggest that at some level Roosevelt's victory and the launching of the New Deal at the national level are structurally analogous to the coming to power of the various European social democratic-type parties. This difficulty remains despite the remarkable welfare expansion experience which ensued, and the importance of the North as a source of urban voters in the 1932 and 1936 elections (Lubell 1965; Andersen 1979). Even if the matter of the national party's heterogeneity is put aside, certain basic temporal and geographical contrasts with European social democratic parties remain clear. Temporally, the party long preexisted the formation of a modern labor movement in the United States. Its policy orientation, organization, and its internal fissures were relatively unrelated to capital-labor conflict, even in the 1920s. Finally, it came to power in the 1930s as a primarily agrarian coalition, which in subsequent years would expand by consolidating the electoral support of the urban working class. The origins of most European social democratic parties were intertwined with those of the labor movement and their policy orientations linked to the gaining of political power for working class ends. Where agrarian support was critical to their eventual coming to power, as in Scandinavia (Esping-Andersen 1985; Gourevitch 1986), it was a working class based party which gained power
by reaching out to agrarian parties and voters, and not the reverse, as in the United States.

Geographically, the Democratic coalition which came to power in 1932 derived its basic strength, despite its northern candidate, from the less industrialized and commercialized South and West. Its greatest weakness lay in the North, again the area of greatest concentration of voters usually associated with social democratic-type parties and coalitions. Much of the welfarist energy of the New Deal can be attributed to this basic (initial) spatial structure of party power and weakness. Expansive social policy initiatives were essential in bringing northern electorates decisively out of the Republican fold. Support for the New Deal coalition was more assured in its peripheral strongholds.

Given these initial conditions, it is in some ways remarkable that the Democratic party did transform itself, in many respects, into the American analogue of European labor-based parties by the 1940s and 1950s. Of course, the peculiarities of the Democratic party as a national coalition were not necessarily reproduced in the political systems of the individual States, which makes them more plausible points of entry for comparisons with European party systems. Nevertheless, from the point of view of analyzing political change at the State level it is still essential to bear this difficult and often slow transformation of pre-existing parties in mind. In this chapter I present the results of an analysis designed to discriminate between state parties in terms of the existence and timing of this
transformation. The analysis is performed on the basis of the variations across the States in the trajectories of Democratic dominance or decline over the 20th century. Firstly, I describe and assess a widespread implicit model of the causes of the more social democratic tendencies of New Deal Democratic parties built around models of realignment and political participation. On the basis of this, I describe a combination of conditions in the U.S. polity in the early 20th century which could be expected to create pressures towards transformations in the behavior of State Democratic parties in a social democratic direction. The most important condition for the development of these transformative tendencies is that the polity be effectively "sealed off" from any political vehicle other than the dominant party, in particular one which articulates working class interests. This ensures (a) the build-up of a potential mass base for redistributive politics, and (b) the likelihood that the Democratic party becomes sufficiently weakened to be open to colonization or takeover by new elites and organizations responsive to that portion of the population largely excluded from policy influence.

Having described the set of conditions hypothetically conducive to party transformation, I move on to discriminate analytically between State parties on the basis of their patterns of exclusion and attainment of legislative power at the State level in the 20th century. On this basis, I conclude the chapter by suggesting where we might expect that the Democratic party, its base and orientation, have
been important factors in the development of distributive policies since the New Deal.

Social Democracy and the Democratic Party

The primary aim of this dissertation is to assess the degree to which the general political model described in Chapter 1, the social democratic model, has relevance in the context of U.S. welfare state development. As we have seen, much skepticism has been expressed on this point, particularly in the context of arguments that the U.S. is an "exceptional" case among the advanced market societies. Previous efforts to try and relate historical and contemporary differentials in welfare state generosity in the U.S. to the relative power of the Democrats have been inconclusive. I think that they have been inconclusive because they have not adequately differentiated out those contexts in which the Democrats have constituted something comparable to European labor-based parties from those in which they represent something different, in political-organizational terms.

The most common means employed in trying to incorporate the Democratic party into discussions of U.S. welfare state development rely on sectional geography, distinctions between urban and rural Democrats, and ideology. The assumption that the distinction between southern and non-southern Democrats is the most relevant to understanding the varying policy orientations of party members is very common indeed. I spent some time in Chapter II questioning how hard and
fast such a distinction can be argued to be in the context of the congresses of the New Deal period. In the recent literature, Amenta and Carruthers (1988) omit the southern States from their analysis on the premise that their party systems are so unusual that they are part of a different statistical population. Even so, they find no clear effects of Democratic strength on welfare outputs in the 1930s in those States which they imply have comparable parties. It is hard to agree with their implicit assumption that there are no relevant differences between parties in different non-southern State contexts, and I think that greater effort in this direction would temper their conclusions that only "economic development" and prior state capacity are important explanatory variables here. Their definition places parties in largely rural peripheral States such as Montana in the same category as long-established party organizations in New York and Ohio. It is hardly surprising that their results are inconclusive.

This last remark would suggest a more credible geographical strategy is required to make the important distinctions within the party. Amenta et al (1987) have suggested using the percentage of seats in State legislatures occupied by urban Democrats as the most relevant criterion. This seems to me more useful, as it is likely to capture important differences between the electoral bases of Democrats in different State contexts. It also has some parallels with important aspects of party organization in the U.S. context. Parties in urban areas have tended to be more strongly organized, often along machine lines, and can be hypothesized to
have been strongly motivated to create distributive benefits for their constituents. David Mayhew (1986) has compiled an exhaustive classification of State parties on this organizational basis, which he suggests is useful in explaining welfare state outcomes.

Unfortunately, although this is more helpful than a straight distinction between North and South in relating social structure to party characteristics, it is not the most appropriate distinction in the present context. First, it is a very U.S.-centered distinction. It draws our attention to machines and forms of urban politics which are not generally replicated elsewhere. As such, it cannot help in developing a more general understanding of U.S. developments. Secondly, although in many states an "urban Democrat" variable may have some meaning, there is a danger that it would filter out genuine elements of rural radicalism, particularly in studies of the 1930s and 1940s (Sanders 1982). Students of the social democratic model have not been mistaken in focusing on farmer-labor alliances in many polities: it would be a mistake to rule out this possibility in the context of some American States.

The last distinction I want to mention is that between "liberal" and "conservative" Democrats. Like the distinction between southern and non-southern Democrats to which it often seems equivalent, it has been encouraged by its perceived utility in distinguishing the behavior of different members in the national congress. Quantitative political scientists such as Poole and Rosenthal (1991) have
developed highly sophisticated techniques for backing up our everyday usage of these terms by scaling large numbers of congressional roll-calls votes. In principle, it would be possible to carry out such procedures in the State context. In practice, for studies involving all of the States, such an approach would present insurmountable costs in terms of data collection and effort. Moreover, selecting sets of comparable roll-call votes for all the States would be well-nigh impossible, since there is no guarantee that sufficiently similar legislative activity from year to year would be evident.

Finally, the use of ideological labels like "liberal" and "conservative", while practically useful for understanding day to day politics, can present serious problems in the U.S. context when it comes to deciding which position on an issue is "liberal". In the case of economic policy, there were strong, and to some extent sectional, differences in the 1930s and 1940s among otherwise "liberal" politicians regarding proper regulatory aims and institutions, with many peripheral Democrats opposing the development of administrative power in a corporatist direction on anti-trust, and therefore, anti-big business grounds (Hawley 1966; Weiss 1970; Sanders 1982; Brand 1988). If matters are this unclear at the Federal level on such basic issues, we would have a hard time making the proper distinctions at the far less-well understood level of the States.

In the context of the research many scholars are pursuing these strategies may be appropriate. Here, I am interested in incorporating the Democratic party,
and the U.S. case, into the social democratic model of welfare state development. It makes sense, given this goal, to try and differentiate out contexts in which this model has a fair chance of applying. None of the distinctions mentioned help in accomplishing this goal, because they are not defined with respect to a broader theory of party development.

To proceed any further, we need to recall the general, process-based formulation of the social democratic model outlined in Chapter I. I suggested that the model has three important components: working-class mobilization through "left" parties; a lowering of barriers to political participation; and the development of party-union linkages. Because the social democratic model describes a process, we need a method of differentiating State parties which will get at changes over time in the party system and the electorate.

I stressed the fact that the Democratic party had long pre-existed the formation of modern forms of working class mobilization in the United States in the introduction to this chapter, but yet ended up as something of an analogy to European left parties in the American party system. In fact some sort of process of party transformation has been basic to many instances of social democratic welfare state development. Przeworski (1986) and Esping-Andersen (1985) emphasize this in the European context when they discuss the origins of social democracy in extra-parliamentary socialist parties. The mistake made by many who argue that the U.S. Democratic party is fundamentally different from such parties
lies in assuming that this socialist-to-social democratic transformation is the only relevant path through which social democratic tendencies are realized. In the case of the United States, the transformation of the Democrats nationally took the form of a change from an agrarian to an urban-industrial orientation and base. Naturally, the specifics of transformations at the State level may have varied from this pattern, but we should expect relevant changes at this scale also.

It seems to me that in trying to explain why parties should undergo such important transformations, we need to focus on the costs and incentives attached to this process. Parties are unlikely to undergo extensive transformations where they have built up a stable position of influence in the polity. One of the most basic insights in the literature on parties is that party character is strongly influenced by whether parties are accustomed to a position of power holding or not. For example, from Robert Michels to Adam Przeworski, social democratic parties have been argued to undergo a process of de-radicalization the longer they participate competitively in electoral politics. Parties successful enough to wield influence in shaping government policy are more likely to be characterized by stability, or even inertia, than by dramatic changes in character and base.

The obverse of this proposition is that parties which are deprived of such power and influence are much more likely to undergo dramatic transformations. If these transformations allow them to capitalize on hitherto untapped sources of electoral support, then parties formerly excluded from power can make dramatic
changes in their ability to influence policy. In this respect, there are similarities between the situations of European socialist parties and the U.S. Democratic party in some, but not all, northern and western States in the early 20th century.

Both groups of parties found themselves excluded from power in the context of large scale changes in political mobilization. In Europe, the strategy and organization of socialist parties was unsuited to situations in which increasingly large segments of the working class were incorporated into the arena of electoral politics through suffrage extensions. By making the decision to abandon revolutionary strategies and participate in electoral politics, these parties were able to mobilize much of this unattached electorate through social democratic appeals. In the U.S., the Democrats, increasingly a party of agrarian protest at the national level, suffered sudden collapses in support in urban-industrial states in the 1890s, from which they would not recover for over 30 years. Their demise in the North was partly a result of their lack of appeal to working class northern electorates, and was so thorough that much of the U.S. was characterized by virtual one-party rule for decades. However, Republican hegemony in the northern U.S. was accompanied by striking declines in electoral participation, which created a reservoir of available voters which Democrats could tap on condition that they dramatically transformed their organization and policies. The New Deal presented such an opportunity, and the remainder of this chapter is an attempt to locate those
State parties which appear to have undergone a social democratic transformation at this time.

**The Democratic Party and the "System of 1896"**

The exclusion of the Democrats from effective power in the early 20th century is pivotal for the analysis which follows. The term "the system of 1896" was coined by E.E. Schattsneider (1960) to refer to the U.S. political order over this period, which is conventionally said to run from 1896 to 1932. Burnham (1965, 1970, 1981a, 1986) has incorporated the idea that this period constituted a distinct political system into his theory of political realignments. The system of 1896 was bordered by two political realignments, which, he argues, mark durable changes in patterns of support for the major political parties.

It was created by the realignment in the years surrounding the critical election of 1896, in which the forces of agrarian protest which had wrested the Democratic party from its more conservative New York wing were resoundingly defeated outside the farm states. The result, Burnham argues, was three decades of extreme geographical polarization in the U.S. polity, in which Democrats consolidated their grip on southern polities, and Republicans were largely unchallenged elsewhere. Burnham has insisted that Republican one-partyism in much of the North and West at this time was used by business interests as a means of blocking challenges to their freedom of action in American society. He has also
suggested that dramatic changes in political participation after the 1890s helped facilitate this control.

The American polity in the second half of the 19th century experienced extremely high rates of electoral turnout (McGerr 1986). The decline which set in the 1890s is therefore quite remarkable: it has been described particularly well in Burnham (1981a) and Piven and Cloward (1988). From a high point of 86% of eligible voters, in non-southern States, in the presidential election of 1896, turnout declined steadily to 55% in 1924. Although it recovered during the New Deal to reach 73% in the election of 1940, it subsequently entered another decline, and has not reached these levels since. Piven and Cloward (1988), drawing on the research of Paul Kleppner (1982), have stressed the disproportionate share of this drop in turnout accounted for by young, working class voters, particularly the large immigrant population of these years.

The explanations for this decline in participation have been varied. The lack of competition in a large number of elections certainly helped discourage voters from participating, even with the introduction of the direct primary system for party nominations in many States (Burnham 1986). The role of changes in electoral laws and institutions is more controversial, but it seems clear that attempts to restrict the electorate by introducing complex registration procedures and qualifications at this time were nationwide, and by no means restricted to the more dramatic disfranchisement underway in the South (Woodward 1951). The
explanation for this process of electoral demobilization is less important here than its consequences, however. By the late 1920s, there existed a sizeable pool of potential voters who had not been mobilized by either major party.

The New Deal realignment surrounding the critical election of 1932 marked a partial demise of these patterns of one-party politics and electoral demobilization associated with the system of 1896. Because the elections of the New Deal years involved increasing participation by voters, with turnout rates rising throughout the 1930s, some scholars have drawn the conclusion that the New Deal realignment was caused, for the most part, by the mobilization of working class non-voters by the Democratic party in the North and West (Andersen 1979; Piven and Cloward 1988). The Democratic party's move to the left under Roosevelt polarized the party system along class lines (Sundquist 1983) and brought a sizeable proportion of working class voters into the political process for the first time. Students of European (Lipset and Rokkan 1967; Rokkan 1970; Luebbert 1991) and Latin American (Collier and Collier 1990) political development are in general agreement on the fact that such periods of working class incorporation constitute critical conjunctures in which large scale changes in party systems and policy profiles become possible.

It is clear, that in certain respects the New Deal realignment and its policy consequences resemble episodes of working class incorporation in Western Europe and Latin America. The polarization of the party system along class lines (Lipset
1963; Sundquist 1983), the legal recognition and regulation of Union activities (Derber and Young 1957; Tomlins 1985), dramatic attempts at introducing corporatist forms of interest mediation (Brand 1988; Hooks 1991), and the introduction of a battery of welfare state and other distributive programs, were all associated with increases in working-class participation in the electoral process, particularly in urban-industrial centers.

The key difference, one could argue, would be that whereas in much of Europe and Latin America the early 20th century witnessed the extension of formal political rights which for the first time encouraged working-class political participation, in the U.S. the 1930s witnessed the re-entry of the working-class into the political arena after an earlier phase of incorporation had been terminated by the "system of 1896". This remobilization was limited, because of the much more formalized, and hence resilient, disfranchisement in the South. It was also relatively short in duration, giving way in time to a secular erosion of participation over the post-war period. Nevertheless, there does appear to be a general set of connections at work in modern states linking the growth of the working-class, the erection and lowering of barriers to working-class political participation, and dramatic shifts in state policy in a social democratic direction, a set of connections from which, contrary to the "early enfranchisement" versions of the exceptionalist argument, the U.S. was not exempt.
This is the underlying implication in the work of Burnham, Andersen, Piven and Cloward, and others who have traced out the consequences of the demobilization and remobilization of the American electorate over the period after the 1890s. I think it is a fascinating story, with tremendous possibilities for comparative analysis, and that furthermore, it is an essential part of the explanation for the New Deal surge in welfare state development in the U.S.

Before relying too heavily on the mobilization thesis, however, it is important to examine some evidence which suggests caution. Granted that a remarkable drop-off in participation, particularly working-class participation, occurred across the U.S. polity in the early 20th century, to what extent does this compare with levels of participation elsewhere at this time? Post-war turnout differentials between the U.S. and Western Europe are regularly presented as evidence of contemporary class bias in the U.S. political system, and often with the implication that the higher levels of mobilization elsewhere are one ingredient in their superior social policy performance (Piven and Cloward 1988, ch 1). The period of the "system of 1896", moreover, was precisely the period in which most European countries experienced the first electoral breakthroughs of their working-class parties, breakthroughs which were often associated with dramatic lowerings of the barriers to electoral participation (Table 2). Were rates of participation by the eligible electorate, however, markedly higher in these European polities over
<table>
<thead>
<tr>
<th>Politics with Voluntary Participation</th>
<th>Year of Introduction of Full Male Suffrage</th>
<th>First Year Left Party Vote &gt; 20%</th>
<th>First Year Left Party Vote &gt; 30%</th>
<th>First Year Left Party Largest % Vote</th>
<th>First Year Left Party Seats in Parliament</th>
<th>First Year Left Party Prime Minister</th>
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<td>Denmark</td>
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<td>Regional/ National Compulsory Participation over much of Period</td>
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<td>Workers' Party/Socialist Party</td>
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<td>1956</td>
<td>1948</td>
<td>Workers' Party (until 1918), Labour Party (1918-)</td>
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</table>

* First Center-Left Coalition
this period? It is hard to tell, as neither Burnham, Andersen nor Piven and Cloward present historically relevant comparative data.

Such data are available, however, and are presented in Figures 3-6. The European data are taken from Flora et al (1983), vol. I. The American data, for turnout in congressional elections in presidential election years, are from Burnham (1981): 193\textsuperscript{26}. Because elections in the various polities were not held in most cases in the same years as those in the U.S., they have been displayed in graphic, rather than tabular form. I will concentrate on comparisons with the North and West U.S., as the significance of developments in the South during this period is relatively clear.

Firstly, the overall picture of the northern and western U.S. moving from a position of relatively high turnouts to relatively low turnouts over the 1896-1932 period is, on the whole, valid. In the 1880s and much of the 1890s the U.S. levels of participation are significantly higher than those in all the European countries in the comparison. By around 1940, however, if we disregard the termination of

\textsuperscript{26} All of the polities for which turnout data is available in Flora et al (1983)v. I are included in the comparison with four exceptions. Ireland is not included because of the complications introduced by its relationships with Britain. Austria, the Netherlands and Belgium are excluded because they all, for varying lengths of time in the period analyzed, had either regional or national compulsory voting provisions in effect. These provisions make reasonable comparisons of participation relative to the U.S. and the other polities difficult. Gaps in any of the series indicate that meaningful electoral data are not available.
Figure 4: Turnout of Eligible Voters, Various Countries.
Figure 5: Turnout of Eligible Voters, Various Countries.
Figure 6: Turnout of Eligible Voters, Various Countries.
democracy in Italy and Germany after 1924 and 1933 respectively, turnout rates in the U.S. only manage to exceed those in Finland and Switzerland. Secondly, this reversal of relative position is due to both steady increases in turnout in most other polities, accompanied by a parallel decline in the U.S., which is not off-set by the remobilization in the late 1920s and 1930s. This divergence seems to match nicely with the hypothesis that social democracy is primarily driven by working-class mobilization and the lowering of barriers to participation, the left breakthroughs in Europe being paralleled by deepening business party control in the U.S.

The largest differentials of the 1920s stand out clearly. Denmark exhibited an average turnout rate of 78.0% in these years as compared with 55.8% in the non-southern U.S., a gap of 22.2 percentage points. The rates for France and Weimar Germany over the same period are 83.3% and 77.26% respectively, for differentials of 27.5 and 21.5 percentage points. We would be foolish to discount the ability of such large increments of voters to decisively affect the electoral prospects of working-class parties, particularly given what we know regarding the usual relationships between turnout and stratification. However, these more dramatic differences are only part of the story.

Most of the European turnouts exceed non-southern turnouts by the climax of the "system of 1896", but not by much. Italy, for example, only exceeds the

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27 It should be noted that in their final elections, these two countries exhibited rates of participation higher than those in the U.S.
U.S. late around 1920, and then rather weakly (although hypotheses regarding strong relationships between levels of economic development and participation should be dispelled by the yawning gap between Italian and southern participation after 1896 in Fig. 6). More intriguingly, Finland and even Sweden, paradigm of the social democratic model, fail to exhibit meaningfully higher levels of mobilization than the U.S. in either the 20s or 30s. Given that Finland and Sweden are particularly strong exemplars of social democratic welfare state-building, and that their respective social democratic parties gained and consolidated their power during this period, I think we would be overhasty in attributing too large a role to differential electoral mobilization per se in accounting for the peculiarities of the U.S. party system and welfare state.

The second reason for caution regarding the sufficiency of the mobilization model is that remobilization was, at the aggregate level of the States, under way in either 1924 or 1928, i.e. before the Democratic breakthroughs in 1932 and 1936. Figure 7 charts the movement of turnout in presidential elections at the level of individual northern and western States over the 1896-1940 period, and shows these remobilizations clearly. There was no dramatic break with the system of 1896, in mobilization respects, during the New Deal at the State-wide level.

Although it is difficult to explain away the remobilization in some States in 1924, it has been argued, following Lubell (1965), that the 1928 election (the "Al Smith Revolution" in Lubell’s words) was a strong precursor of the New Deal in
Figure 7: Turnout of Eligible Voters, U.S.A., Various States.
many northern urban-industrial areas. The generality of this claim has been a subject of careful attention (Clubb and Allen 1969). In a very thoughtful discussion, Sundquist (1983) suggests that the real precursors of the New Deal realignment in these years were shifting patterns of party support in the midwestern wheat belt, and not the urban mobilizations around Smith. For, as he suggests, the Smith mobilization was not related to the important issue cleavages (primarily social and economic policy-based) around which the New Deal realignment would crystallize. In fact, Smith, eager by inclination and by strategy to win favor with metropolitan business elites and the northeastern wing of the party, strenuously avoided running on any such issues, which were more characteristic of the peripheral, "Bryanite" dimension of the Democracy. Smith ran primarily as a "wet" on the prohibition issue, hardly a social democratic stance for reasons mentioned at the opening of this chapter, and this more cultural orientation of his campaign surely exacerbated the intense focus on him as a Catholic candidate which dominated the sociology and geography of the election. His catholicism and stance on prohibition were therefore the most critical reasons for the mobilization of particularly catholic immigrant workers from Europe in northern cities, and the increased turnout associated with it. The strong link between mobilization and social democratic tendencies in the party system implied in some accounts of the period was, therefore, not very evident in 1928.
Sundquist's arguments, part of a general disagreement he has with Kristi Andersen about the relative importance of mobilization and partisan conversion in explaining the New Deal realignment, converge quite strongly with the analysis of the inner workings of the Democratic party by Gordon Craig cited at the beginning of this chapter. The important point to take from this convergence, and the cross-national comparisons of the 1896-1940 period, is that high levels of mobilization, while clearly facilitating social democratic politics, insofar as they are associated with a rising proportion of working-class votes in the electorate, are simply not enough to explain the coming to power of parties basing their programs on a mainly working-class base. We need to focus more sharply on the role of party elites and power in mediating changes in political participation, or at the very least, on the conditions under which changes in participation levels are likely to promote the transformation of party systems.

As Burnham has recognized (Burnham 1981a; 1991) voting patterns are only one part of the relevant evidence in the determination of patterns of change in party-systems. The major contribution of Clubb, Flanigan and Zingale (1980) to realignment analysis was to stress the importance of the consolidation of party power and relationships in maintaining realigned systems. Indeed, although researchers have preoccupied themselves almost exclusively with voting and turnout behavior, the motivation for studying realignment phenomena in the first place is surely for the insight which they give us into shifting patterns of power and policy.
orientation within a polity. In a sense the most conclusive evidence of a realignment is not changes in voting or turnout but the stable changes in the way power is shared out, or otherwise, among the major organizational contenders in the political and economic arenas.

To some scholars, this realization implies that the real meaning of American realignment phenomena is to be found at the level of elite investment in particular parties at particular times. Voting and turnout are, on these accounts, largely and regrettably irrelevant to major changes in party systems and patterns of policymaking (Ferguson 1983, 1984; Ferguson and Rogers 1984). I think this approach veers too far in the opposite direction from those stressing voter mobilization. In order to account for the emergence of welfare state building parties, we have to conceptualize working class political incorporation as a process in which voter mobilization and party strategy mutually reinforce one another. The potential to mobilize working class voters provides a powerful incentive for parties lacking political power to adopt policies and organizational forms which will help in attracting their votes. The effects of mobilization on policy, likewise, will be contingent upon changes in the party system. Working class mobilization is only likely to have the dramatic effects suggested by theories of political incorporation if new or transformed parties become available to shape it through redistributive appeals.
The key point here is, then, that if we are really to explore the impacts of the Democratic party on American welfare state development, we need to ask not only how State parties were affected by electoral mobilization, but how prior patterns of party exclusion or involvement in State policy-making conditioned their chances of being affected by this mobilization. Where Democratic parties were secure or competitive with Republicans over the system of 1896, it is unlikely that the New Deal would witness striking changes in their organization and goals. Where parties had become hollow semblances of their pre-1896 selves, condemned to sit on the sidelines by overwhelming Republican dominance, we might expect such remobilization to provide strong incentives for change in a social democratic direction.

These arguments are, to some extent, a generalization of a hypothesis put forward by Fenton (1966), which has never really been inserted into larger debates on the role of the Democrats in welfare state development. Fenton argued, in a comparison of five Midwest States, that in certain cases (Wisconsin, Minnesota and Michigan), the Democratic party had become a "hollow shell" as a result of years of Republican dominance, and had been taken over by new party elites in alliance with labor unions in the 1930s and 1940s. In others (Ohio, Indiana and Illinois), no such weakening of the traditional party had occurred. The differences in orientation between these two sets of Democratic parties, he suggested, were revealed in their contrasting welfare policy records.
In order to differentiate State Democratic parties along the lines suggested by my expanded version of this Fenton hypothesis, I think that a detailed examination of differential patterns of State legislative power-holding is in order. Chubb, Flanigan and Zingale are right: sustained changes in institutional power-holding are an essential part of the realignment process. Moreover, changes in legislative seats are often much sharper than those in voting patterns, which should help make the analysis clearer. Finally, in the U.S. context, no major changes in social policy have been possible without legislative approval. If we are to assess the link between transformations of the Democratic parties in particular States to enhanced welfare state provision, we must find that these changes have some expression in patterns of State legislative power-holding. In the next section, I examine such patterns more closely.

Patterns of State Democratic Party Power-Holding in the 20th Century

There are tremendous geographical variations in the extent to which State level Democratic parties have been successful at gaining and retaining relative power in State legislatures over the course of the 20th century. Although certain generalizations, such as the near complete dominance of the party in the South until very recently, may be stated with confidence, describing these variations further in a concise manner presents difficulties. As a first approximation, an examination of the success rate of the Democrats at gaining legislative dominance by relatively
conventionally defined regions would seem essential. This can be done over a long
time span, beginning in the 1830s, thanks to the data collected by Walter Dean
Burnham at MIT and lodged with the Inter-University Consortium for Political and
Social Research at the University of Michigan.

Since my concern is largely with shifts in power to and from the Democrats
during and after the New Deal, the analysis here will be restricted to data for the
years from 1896 onwards. This time period begins with the establishment of
Republican hegemony in most of the North, coupled with the final moves in the
establishment of an even more remarkable one-party Democratic politics in most
of the South (Woodward 1951; Burnham 1981a; Kousser 1974). Most of the
western Territories had been, or were about to be, admitted as States at this time,
and so the analysis will not be hampered by missing, or non-comparable, data on
territorial institutions.

The "system of 1896" constitutes the first 36 years of the State series. The
second part of the series dates from 1932, the most obvious point around which to
expect sharp breaks with established patterns in State Democratic power, up until
1985. There appears to be little consensus that any further critical realignment of
the electorate and party power has occurred in the period from 1932 to the present,
at least one exhibiting the clarity of the 1890s and the 1930s (Ladd 1989; Burnham
1981b; 1989). The literature is clear, nevertheless, on the importance of less
dramatic, but important, patterns of long term erosion of Democratic and
Table 3: Democratic Legislative Majorities, 1896-1985

<table>
<thead>
<tr>
<th>Region and State</th>
<th>Percent of Years with Democratic Legislative Majorities in Both Houses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td>21.11</td>
</tr>
<tr>
<td>Delaware</td>
<td>26.67</td>
</tr>
<tr>
<td>Maine</td>
<td>5.56</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>31.11</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>-</td>
</tr>
<tr>
<td>New Jersey</td>
<td>21.11</td>
</tr>
<tr>
<td>New York</td>
<td>5.56</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>10.00</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>33.33</td>
</tr>
<tr>
<td>Vermont</td>
<td>-</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>15.44</td>
</tr>
<tr>
<td>Great Lakes</td>
<td></td>
</tr>
<tr>
<td>Illinois</td>
<td>17.78</td>
</tr>
<tr>
<td>Indiana</td>
<td>17.78</td>
</tr>
<tr>
<td>Michigan</td>
<td>16.67</td>
</tr>
<tr>
<td>Ohio</td>
<td>22.22</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>13.33</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>17.36</td>
</tr>
<tr>
<td>Pacific</td>
<td></td>
</tr>
<tr>
<td>California</td>
<td>26.67</td>
</tr>
<tr>
<td>Oregon</td>
<td>20.00</td>
</tr>
<tr>
<td>Washington</td>
<td>40.00</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>28.89</td>
</tr>
<tr>
<td>Plains</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>4.72</td>
</tr>
<tr>
<td>Mountain</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>31.81</td>
</tr>
<tr>
<td>Upper South</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>88.75</td>
</tr>
<tr>
<td>Lower South</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>100.00</td>
</tr>
</tbody>
</table>
Republican power in particular States (Moakley 1992), and the series has been extended to the 1980s precisely to capture any such "secular" realigning trends.

Table 3 summarizes this data, showing the percentage of years over the relevant periods of time in which Democrats held majorities in both houses of State legislatures. The contrast between southern and non-southern regions of the country over the entire century is clear, as is the weakness of the Democrats in most northern and many western States during the system of 1896. The Democrats have evidently had an enhanced ability to attain legislative majorities outside the South after the New Deal, although in many States this was a rather delayed phenomenon. The system of 1896 was not entirely destroyed at the State level after the New Deal (Burnham 1981a), with decisive Democratic majorities failing to appear in many States until the 1970s.

Ideally, if we are to relate these temporal patterns to welfare state performance, we would like to derive a set of variables which will help us separate State parties which reversed their legislative fortunes during the New Deal from those whose patterns of power holding remained unchanged. I use principal components analysis here to separate out from the data several clearly differentiated paths of Democratic power-holding over the 20th century. The components derived from the analysis help measure the degree to which Democrats in the legislatures of individual States conform to these basic trajectories over time.
Principal components analysis is a technique for reducing the dimensionality of a data set: a set of variables is transformed into a set of new variables (the components), of which the first few summarize most of the variation in the original variable set. Each principal component is a linear combination of the original variables. The first principal component accounts for as much variation as possible in the original data; the second accounts for as much of the remaining variation as possible, subject to the constraint that it remain uncorrelated with the first; the third component accounts for as much of the remaining variance as possible, whilst remaining uncorrelated with the first two, and so on.

Formally, the first principal component of a set of variables $x_1, x_2, \ldots, x_p$ is the linear combination of $x_1, x_2, \ldots, x_p$,

$$u_1 = \beta_{11} x_1 + \beta_{12} x_2 + \ldots + \beta_{1p} x_p$$

(1)

which has maximal variance, with the restriction that

$$\beta_{11}^2 + \beta_{21}^2 + \ldots + \beta_{p1}^2 = 1$$

(2)

$\beta_{11}, \beta_{21}, \ldots, \beta_{p1}$ are elements of the latent vector (eigenvector) of the covariance matrix of $x_1, \ldots, x_p$, and correspond to the latent root (eigenvalue) $\theta_1$. The variance of the first principal component, $u_1$, is, in fact, $\theta_1$. The second principal component is that linear combination of $x_1, x_2, \ldots, x_p$. 
that has maximal variance and is uncorrelated with \( u_1 \). In this case, \( \beta_{12}, \beta_{22}, \ldots, \beta_{ps} \), are elements of the latent vector of the covariance matrix corresponding to the second largest latent root, \( \theta_2 \). The variance of \( u_2 \) is, correspondingly, \( \theta_2 \). The extraction of further components, \( u_3 \ldots u_p \), proceeds along the same lines. There are as many components as there are original variables, and hence latent roots \( \theta_1, \theta_2, \ldots, \theta_p \) of the variance-covariance matrix. This is the case so long as the variance-covariance matrix is positive definite and thus all of its \( p \) roots positive, which is the usual situation.

Writing (1) and (3) more generally as

\[
  u_i = \beta_{1i} x_1 + \beta_{2i} x_2 + \ldots + \beta_{pi} x_p
\]

we can consider the \( \beta_{ij} \)'s to comprise an orthogonal matrix, \( B \), which can be inverted to derive

\[
  x_i = \beta_{1i} u_1 + \beta_{2i} u_2 + \ldots + \beta_{pi} u_p \quad i=1,2,\ldots,p
\]

This expression shows how each original variable can in turn be expressed as a linear combination of \( p \) uncorrelated components with descending variances. The aim of principal components analysis is generally to transform a large set of original variables into a smaller set of components conveying most of the original information. Therefore, the researcher is primarily interested in a subset of the potential \( p \) components which could be extracted from the data. It is only at this
point that anything analogous to an "error" term in regression is introduced into the analysis, which is an important point of differentiation between principal components and factor analysis, under which its discussion is often subsumed. If \( k < p \) components are retained, a decision based normally on the proportion of the original variance accounted for by the first \( k \) components, expression (5) becomes

\[
x_i = \beta_{11} u_1 + \beta_{12} u_2 + \ldots + \beta_{1k} u_k + \nu_i
\]

where

\[
\nu_i = \beta_{k+1,k+1} u_{k+1} + \beta_{k+2,k+2} u_{k+2} + \ldots + \beta_{p,p} u_p
\]

is interpreted as a residual term with a small variance.

The possibility of transforming large data sets into a smaller number of components is only really useful in an empirical research context insofar as the components can be given a reasonably clear meaning in relation to the original variables and observations. The reputation of principal components and especially factor analysis in geography has been somewhat tarnished by the alacrity with which researchers generated "underlying" variables in the analysis of huge data sets of ecological data in the earlier stages of the "quantitative revolution", sometimes giving them interpretations of dubious validity. Fortunately, through the work of Karl Jöreskog and others (Jöreskog 1967) on confirmatory factor analysis and
related techniques, we have a better picture of the strengths and weakness of methods involving "underlying" or "latent" variables.

The coefficients or "loadings" (the $\beta$s above) relating the original variables to the components can always be examined to see which of the original variables are most strongly related to which of the smaller set of principal components, and thus confer some meaning on the latter. This interpretation, however, will be much enhanced by some prior effort on the researcher's part to ensure that variables which are expected to combine in some meaningful way are used as input in the first place. The development of confirmatory factor analysis, where relatively precise hypotheses regarding the interrelationships of the original and latent variables are formulated and tested against data, has increased sensitivity to this requirement. As Jöreskog notes (Jöreskog 1979: 17), principal components analysis, unlike factor analysis (with its differing treatment of residual variance) is not a "statistical model" in the usual sense, and thus is not strictly a confirmatory technique. However, from the standpoint of interpretability, it is clearly preferable to utilize variables as input from which interpretable components are expected to be derived. In this sense, it is probably best not to think of the technique as a purely exploratory tool either.

In the present analysis, few such problems present themselves. In order to differentiate between State Democratic parties on their patterns of State power-holding over the period from the 1890s to the 1980s, I treat the State legislative
houses as variables: the observations are the percentages of their seats which are occupied by Democrats in each year. Because the variables are all of the same type, interpretative difficulties in relation to the component loadings do not arise: if State legislative houses \( a, b, \) and \( c \) all load high and positively on the first component, the interpretation is simply that they all have similar trajectories of Democratic power-holding over time. The form that the trajectories associated with each component take can be examined by plotting the scores relating the observations (the years) to each component against time. The patterns over time traced by the component scores can be thought of as "reference curves" (King and Jeffries 1971), typical patterns to which the movements in each State house are more or less related by their component loadings.

From the examination of some of the raw data above, we expect the principal components analysis to pick out certain strong interregional differences. The differences between the continuous hegemony of the parties in the South and in some of the western States (e.g Arizona) until at least the 1960s, and the much weaker position of the parties until the New Deal elsewhere should, for example, come out clearly. There would be little point in performing the analysis, however, if matters were that simple.

As we have seen, in the northeastern core and much of the West, the degree and timing of change over the "System of 1896" and the New Deal realignment has been a subject of much discussion, and visual inspection of the raw series in these
cases has not helped matters much. Furthermore, in order to assess the hypotheses
developed above, we need a measure which can differentiate, in a quantitative
rather than a categorical way, between states in which we expect a greater change
in Democratic party policy orientation and base to have occurred over this period,
and in which a stronger resemblance to European patterns of welfare state
development is to be expected. Here, the loadings of each house on each
component will help provide a more precise picture of the degree to which State
parties outside the South have attained and retained legislative power in distinctive
ways.

Several questions need to be addressed before the results can be presented.
The analysis has been performed on the time series for each individual legislative
house, rather than on the average for both upper and lower chambers in each state
because this increases the amount of information available in discriminating
between State parties. Because, in particular, of differences in the degree of
malapportionment between State upper and lower chambers over the period, and
the often different coalitions associated with the election of State senators as
opposed to representatives, there can be considerable differences in party power in
different chambers. The case of the almost routine conflicts between the
Democratic House and Republican Senate in New York State in recent years is but
one well-known example of this. Although for the purposes of regression analysis
in the following chapter, the upper and lower chamber scores will be averaged, for
present purposes, the degree of homogeneity of pattern between the two should be left as an open question.

Two of the States present special problems in any analysis of this sort. Nebraska and Minnesota have had formally non-partisan legislatures over most of the period covered by this analysis. Although we can be reasonably sure of the dominance of the Democratic-Farmer-Labor party (a product of Farmer-Labor and Democratic Fusion which would count as a Democratic party from the point of view of this analysis) in Minnesota and of Republicans in Nebraska over most of the post-war period, we do not possess precise year-by-year data on legislative seats. Regrettably, particularly given the clear candidacy of the Minnesota party for a position as one of the most "social democratic" State Democratic parties in the U.S., and its reputation for having a redistributive policy orientation, these States have been dropped from further analysis. This leaves us with a 96x90 data matrix for analysis.

The principal components analysis was performed, and inspection of the eigenvalues and variance proportions suggested the retention of four components, which were varimax rotated to simple structure. There has been some debate within geography as to whether rotation techniques are necessary or appropriate in the context of principal components as opposed to factor analysis, because principal components are orthogonal (i.e. mutually uncorrelated) by definition (Davies 1971a, 1971b, 1972a; Mather 1971, 1972; Daultrey 1976). Daultrey (1976: 44) in
particular, suggests that rotated component solutions lose their property of maximum variance. That is, instead of as much variance as possible being concentrated in the first component, orthogonal rotation (such as the varimax technique) induces a "spreading" of the variance more evenly across the components retained. From the point of view of the current analysis, however, squeezing as many State chambers as possible into one dominant pattern of Democratic power holding over time is less of a desideratum than distinguishing between multiple dominant patterns, and achieving through rotation to simple structure (a goal of rotation which Daultrey fails to consider) a clearly interpretable set of results.

The interpretation of the results becomes clear when the scores of the respective components (the "reference curves") are plotted against time, along with the original series of some of the State chambers most strongly associated with them. In all the graphs which follow, the suffix 'S' after the State abbreviation indicates that a Senate series is being plotted. The first component (Fig. 8) is clearly associated with continuous Democratic control of legislatures over virtually the entire period after 1896, and in regional terms primarily with the South. It is worth noting that the rationale for and timing of this assertion of hegemony also come over rather clearly in the reference curve, with a considerably lower level of Democratic control in the 1890s associated with the last vestiges of Populist and
Figure 9. Component #2.
Republican vitality before the institutional mechanisms sealing out challenges to the Democracy and southern elites were fully set in motion.

The second component does double-duty, signalling an important inverted pattern of Democratic ascendancy and decline from the 1960s onwards in particular States. Certain northeastern States, particularly in New England, load high and positive on this component, and their reference curve (Fig. 9) shows a marked increase in Democratic power since the 1960s. In many of these States, the original pattern is closer to a slow increase over a longer span, however, and so the curve should probably not be taken as "proof" in any clear sense of a critical realignment at this time. A better interpretation would be that in these polities, there has been a gradual shift to the Democrats since the 1960s: the important point from the present point of view is the lateness of movement towards Democratic power in many "core" States. Several southern and border States load high and negative on this particular component. Their reference curve is the same as that in Fig. 9, but the signs of the scores are reversed. As the resulting Fig. 10 shows, in these states, clear Democratic hegemony over the early 20th century undergoes a marked erosion since the 1960s, an erosion which has been less evident in those States loading high on the first component. The description of such changes, and their explanation in terms of migration and reactions to Democratic policy on race issues, has occupied a good portion of the realignment literature of the 1970s and 1980s (Sundquist 1983; Petrocik 1987) and need not detain us here. It should be
Figure 10: Component #2, Signs Reversed.
noted, however, that different southern polities have developed weaker or stronger tendencies towards Democratic decline, and that, as in the northeastern "Core", it is not necessarily desirable to deduce political characteristics from regional generalizations regarding political economy and electoral base. In sum, the second component separates out parallel and opposed partisan shifts in different regions of the country gaining strength some time after the New Deal and its immediate aftermath. To the extent that a modified form of realignment has been underway from the Nixon period onwards, and to the extent that it has anything to do with political parties as meaningful entities rather than as decaying umbrellas for personalistic campaigns (Burnham 1989), this component helps pick out those States where the strongest case could be made for it in terms of voting behavior being translated into actual legislative clout.

From the point of view of the arguments under closest examination here, the third and fourth components are of greater importance. The reference curve of the third component (Fig. 11), on first inspection, reveals nothing more than a strong sensitivity to the ebb and flow of Democratic fortunes nationally over the 20th century. Peaks in Democratic power on the curve correspond to the Wilson administration, the early New Deal, the highly polarized election of Harry Truman in 1948, the Johnson landslide and Watergate. Because of this, we might be tempted to conclude that it separates out a "national effect" as opposed to endogenous "State effects" on legislative power. This conclusion would be in line
Figure 11: Component #3.

Component Score


Percent Seats Democratic
with many analyses of realignment phenomena in which deviations from national mean voting percentages are analyzed in preference to raw data, ostensibly to separate out "local" from "national" tendencies towards systemic change. Indeed, McRae and Meldrum's (1969) pioneering use of factor analysis in the examination of critical elections in Illinois was based, in part, on just such a premise.

Although such "filtering" procedures make intuitive sense, in important ways I think they can often misrepresent the geography of political change. In particular, they misleadingly characterize the geography of elections as divisible into a small number of "effects", here hypothetically "State" and "national" effects, which can be separated without doing violence to our understanding of the processes at work. Although it can be helpful to assess how far movements in a party's votes or power increase or decrease in a manner that deviates from the average of all such movements across a federal polity, in the final analysis the "national average" is rooted in these State-level movements and constructed from them. Some States, moreover, may be more important in generating the national average than others, particularly if their State-level political behavior appears to swing dramatically in line with Presidential elections and debacles.

Although I am not inclined to filter out any "national" effects in the present analysis, there is meaning to be derived from the degree to which Democratic parties in those States loading high on the third component appear to have neither gained nor lost power in any durable sense at any time over the last century, but
have merely been granted power temporarily in line with the electorate's perceptions of their party in terms broader than their performance at the State level. One way of looking at this would be to emphasize the fact that there are no periods in these States over which one party or another has exercised a clear sway in State affairs, and to credit them with having durably competitive party systems. Legislative chambers in States like Colorado, Ohio, Indiana and Illinois, which load relatively high on this component, are often described precisely under this rubric (Fenton 1960). It is partly because of patterns of this sort in non-southern as opposed to southern states that so much energy was directed in the 1960s and 1970s into relating the competitiveness of party systems to welfare outcomes (Dawson and Robinson 1963, 1965; Cnudde and McCrone 1969; Jennings 1979; Dye 1984). This is, I think, part of the interpretation. We should note, however, that non-southern party systems have exhibited different patterns of competitiveness over the time period examined, in the sense that the processes leading to competitive situations have been quite different. Simple cross-sectional measures of competitiveness in legislatures do not necessarily take any such "path-dependent" aspects of competitive situations into account. If competitiveness results from a sudden sustained increase in the power of a redistributive party, for example, we might expect the policy consequences to be different from a situation where competitiveness has been a long-term feature of the polity, with parties simply alternating as "ins" and "outs" over time in response to influences which
may not have much to do with dramatic developments in the State polity. I think that component 3 most strongly suggests the latter type of competitive situation, where no clear structural changes are responsible for the dynamics of party power over the century.

This kind of "unstructured" competitiveness is, for this reason, unlikely to be associated with the kinds of welfare outcomes suggested by those developing the party competition hypothesis in the 1960s and 1970s. If the "solid South" pattern of the first component is often cited as evidence of the persistence of the "system of 1896" beyond its allotted life-span (Piven and Cloward 1988), this third component suggests that in the North, there are States where the Republican hegemony of 1896-1932 was insufficient to eradicate patterns of party alternation associated with the mature Civil War party system of the late 19th Century, a conclusion which finds a good deal of support in the literature on persisting voting patterns (Fenton 1966).

The foregoing discussion laid much weight upon the exclusion of the Democrats from power in much of the non-South over the 1896-1932 period, and the associated erosion of working-class participation, as key preconditions for the development of welfare-oriented Democratic parties in post-New Deal State polities. The fourth component, which is the second most important in terms of the amount of variance accounted for (29% as opposed to 34% for component 2), is clearly the most important in terms of the theory advanced. The reference curve
Figure 13: Loadings, Component # 4 (New Deal Surge).
Figure 14: Loadings, Component #3.
(Fig. 12) shows a clear break, in 1932, between a period of extremely low Democratic influence and a post-New Deal sustained increase in legislative power. Parties experiencing this exclusion-and-surge pattern are, I have suggested, most likely to have been transformed in a social democratic direction, and so it is important to examine those States loading high on this component further.

The maps in Figures 13 and 14 show the averaged upper and lower house loadings on component 3, the persistent competition component, and component 4, the component associated with a sustained New Deal surge of power for the Democrats. Components 3 and 4 appear to differentiate quite effectively between non-southern parties: southern states load low or negative on both these variables. As we would expect from Fenton’s discussion, Michigan and Wisconsin load high on the New Deal surge component, as do several States in the West, most notably the three Pacific coast States. The hypothesis here is that it is in States loading high on this fourth component that we can legitimately expect the revised definition of the social democratic model to perform best in explaining welfare state outputs.

Conclusions

In this chapter I have used patterns of Democratic Party power holding over time in State legislatures to differentiate between those parties which we expect to have been transformed over the New Deal period into organizations approximating social democratic parties, and those which we do not expect to have had such
characteristics. The theory behind this analysis has been that many non-southern State Democratic parties were effectively excluded from power over the 1896-1932 period. At the same time, rates of working class political participation fell dramatically, creating a pool of voters available for mobilization by new or transformed parties promising policies geared to working class interests. Democratic parties which were excluded from policymaking at this time faced a set of incentives, then, to transform their organization and outlook in a social democratic direction. This transformation, associated with electoral remobilization, offers an intriguing parallel with the shift to social democratic politics on the part of European socialist parties, which was associated with the extension of suffrage to working class citizens.

The conclusions reached in this chapter are probabilistic in nature: it is likely, but not certain, that States loading high on the New Deal surge component produced in the analysis had Democratic parties which were transformed in a social democratic direction during the 1930s and 1940s. Research by Fenton (1960), Buffa (1984a, b), Greenstone (1969), and Piven (1991) suggests that we are on the mark. One can, however, think of States whose political histories appear to violate these hypotheses, so further case-based research will be necessary before firm conclusions can be drawn^28.

^28 In Louisiana, we are presented with a case where an already entrenched Democratic party was transformed in an extremely interventionist, redistributive direction under the regime of Huey Long and his associates (Williams 1969;
Nevertheless, I am sufficiently confident that the conclusions drawn here are indicative of real changes in party orientation in the mid-20th century, that I proceed in the next chapter to relate this discussion to the issue of the role of labor unions in the U.S. context. I also perform an analysis designed to test whether the New Deal surge component derived here bears any significant relationship to welfare state performance.

Brinkley 1982). I have argued that such transformations of parties which already enjoy substantial, in this case complete, political power are unusual. The odds against such an occurrence are perhaps part of the general explanation of why Long's seizure and transformation of the Louisiana party required tactics and patterns of politics which are rather alien to the American context, and which later led to his reputation as an American proto-fascist. New York State, where the Republican party under Nelson Rockefeller became a basically welfarist organization, is another such aberrant case.
CHAPTER IV

POLITICAL EXCLUSION, THE SOCIAL DEMOCRATIC MODEL, AND
WELFARE STATE GENEROSITY

Introduction

In the previous chapter I suggested that the impact of the Democratic party on welfare state development in the U.S. could best be appreciated on condition that some differentiation is introduced between State parties. This differentiation should, I argued, reflect differences in the likelihood of State parties being transformed in the direction of European "left" parties. This sort of transformation was hypothesized to be most likely where (a) the Democrats had been largely excluded from policymaking during the period from 1896-1932 and (b) where the New Deal realignment of 1932-36 had the most dramatic effects in generating a sharp and sustained increase in Democratic power in the State legislature.

In this chapter, I provide some evidence that the method of State party differentiation employed in Chapter III can be of some help in examining the geography of the American welfare state. I introduce this new information about State Democratic parties into a simple statistical test of the social democratic model
1970s, and using unemployment benefits as the dependent variable. Although the test has clear limitations, it does suggest that careful differentiation between State parties improves our understanding of the role of parties in U.S. welfare state development over studies which focus exclusively on party labels or competition.

Two preliminaries to this analysis are necessary. First, most versions of the social democratic model of welfare state development hold that the influence of labor unions is an important parallel influence, along with left parties, in generating more generous welfare states. I discuss the role of unions in relation to the Democratic party, suggesting that they have had considerable opportunity to create close linkages with State parties through their ability to act as party infrastructure in the U.S. context. Whether they will have done so in particular State contexts depends on the existence and capacity of existing forms of infrastructure, however, and so again, the need to differentiate the processes at work in State polities rears its head. In this connection, I stress the availability of two routes, public and private, through which unions have aimed to create mechanisms protecting workers from the vicissitudes of the labor market in the U.S. In States where parties were not receptive to such a strong union role, I stress the importance of non-state benefits as a limit on welfare state development.

I briefly describe the U.S. Unemployment Insurance program, and outline my reasons for selecting it as a test case in the analysis in this chapter. Unemployment Insurance constitutes a clear intervention in labor markets and is
aimed primarily at the industrial working-class which has been the focus of the social democratic model of welfare state development. It is a decentralized program, where decisions regarding benefit levels and other variables are made at the State level, at the pleasure of State legislatures. Furthermore, it is a program which, unlike other components of the U.S. welfare state, has clear New Deal origins and which therefore provides a meaningful test of the hypotheses regarding State Democratic parties and the New Deal developed in Chapter III.

The regression analysis which follows suggests that the probability that State Democratic parties were transformed in a "social democratic" direction in the 1930s and 1940s is clearly associated with the relative generosity of State unemployment benefits over the postwar period, even if wages are controlled for, and irrespective of whether or not Democrats held legislative majorities and control of State governments over the same period. The role of unions appears to have been more ambiguous, and to have declined precipitously after the New Deal. In conclusion, I briefly discuss the weakening of labor union influence on State provided benefits and describe some limitations of the analysis.

The Concept of Party Infrastructure

The social democratic model, as discussed in Chapter I, has three important components. The first two, the mobilization of working-class voters, and the coming to power of a "left" party with a hitherto limited policymaking role, were
examined in Chapter III. The third component is the linking of working-class mobilization in the economic sphere, through their union organizations, with this political mobilization through parties. The social democratic model, then, as it has been developed from the study of European welfare states, has stressed the combination of working class mobilization through parties and unions in creating developed welfare states.

In the U.S case, the weakness of union organizations has helped sustain exceptionalist arguments (Marks 1989; Davis 1986). The decentralized and depoliticized character of contemporary American unions in relation to their European counterparts certainly helps explain the less dramatic development of social policy in the U.S. (Stephens 1979). This is, in my view, a less important component of arguments for U.S. exceptionalism than the absence of a socialist, or even left, party. For unions may have been weak in the US context, but they have been undeniably present and active.

Still, the social democratic model does not simply suggest that strong union organization has an independent effect on welfare state development, but that welfare outputs will be most impressive where there are strong linkages between left parties and unions, between working class organizations in the economic sphere and in the political arena (Esping-Andersen and Kersbergen 1990). It is here that the U.S. case appears quite aberrant in the sense that such strong linkages did not exist. This, it is important to note, is largely the case because of its party, rather
than its union, organization. Left parties, nominally social democratic parties included, are mass-membership parties, whose most typical form of organization is the party branch. The union movements in these countries, usually pre-existing the formation of left parties, played a critical role in the establishment of branches, basic party units which, in contrast to older forms of party organization, mobilized large numbers of working people as party members (Duverger 1954).

American parties, by contrast, are usually described as cadre or caucus parties. Caucus party organization is primarily populated by, and run for, party office-holders. Oriented primarily to winning elections for those associated with their party labels, they neither have mass memberships nor develop organizational forms conducive to mass membership.

American parties are not alone in having caucus-based organization. What is unusual, and perhaps more so than the absence of a nominally "socialist" party, is the absence of any modern party embracing mass-membership as an aid to mobilization. Instead, American parties, Republican and Democratic alike, are often said to be either purely office-seeking parties, or to be parties whose policies are to an unusually large extent shaped not by mass political behavior, but by the activities and conflicts of particular elite groups. Voters are certainly thought to be important to party fortunes, as the huge volume of work analyzing voter perceptions, party identification and loyalty, and attitudes more generally, attests.
Yet these aspects of voter decision-making do not pertain to the organization of parties, in office seeking models.

One influential view of American party organization regards the primary goal of those associating in parties as the winning of office. Thus the explanation of party behavior and organization must be rooted in the fact that, in order to persist, parties must be capable of competing effectively for voter support. The electorate, however, is not considered as part of the definition of party organization. Political scientists like Joseph Schlesinger (1984, 1985, 1991) follow Downs (1956) in modelling the "electoral market" by analogy with commodity markets. Voters are conceptualized as atomized consumers of policies and promises supplied by party organizations.

By excluding all but immediate office-seekers from his definition of party organization, however, Schlesinger, I feel neglects the important role other organizations and individuals play in rendering the party an effective office winning vehicle. His "nuclei" of office-seekers must have resort to a broader labor force and other organizational resources: these are necessary to winning campaigns. As a result, his party nuclei are composed of nothing more than the legally recognized candidates for office in particular constituencies. This is unfortunate in that Schlesinger sets out to avoid more legalistic definitions of party organization,
which as he recognizes are misleading in the U.S. context where parties are much more legally regulated than they are in other polities (Schlesinger 1985).²⁹

A strikingly different picture of American party organization has been put forward by Thomas Ferguson (Ferguson 1983, 1984; Ferguson and Rogers 1984). Ferguson, with Schlesinger, considers it a mistake to relate American party organization and behavior closely to voter attitudes or electoral behavior. In his formulation, however, the behavior of parties, and their lack of mass-based organization, have been determined largely by the behavior of economic elites acting as "political investors". Here, the parties are viewed, as in Downs and Schlesinger, as quasi-corporate entities competing in a market for votes. Whereas in Downsian models, the demand of voters for particular policy packages is seen as critically important, here we see a more "supply-side" view of parties in the electoral market, with party members winning elections largely on the basis of the resources made available to them by investors, who demand essentially private goods in return. The defects of this conceptualization of parties are remarkably similar to those of Schlesinger's. Although business organizations are certainly useful allies for parties in trying to gain power, they cannot substitute entirely for more labor intensive strategies in mobilizing votes.

Both these theories tell us a good deal about certain aspects of American party behavior, but unfortunately we still lack good general social science theories of American parties. Schlesinger develops the rational choice tradition of analyzing parties as competing "teams" of office-seekers in interesting ways, but in ruling out equally traditional concerns about coalition formation around parties pushing particular sets of policy initiatives, that is by ruling the electorate out of his definition of parties, he provides us with no real means of relating party organization and behavior to broader changes in economic, social and political life. This, I think, is a high price to pay for precision and abstraction. Ferguson's accounts are much better at explaining changes in party success and behavior, given that he focuses on how parties develop linkages with other organizations and actors in the polity. Because he is primarily interested in the flow of resources and

30 Schlesinger is at his best when discussing the impact of changing conditions of competitiveness on party activism and organizational cooperation, as in his examination of the American party system over the 20th century (Schlesinger 1985). His theory is not very good at accounting for why these changing conditions occur: it does not aim to do so, in fact, but then much of the interest in studying political parties lies precisely in such questions. Neither does he adequately address the question of why his theory appears much better suited to providing a description of certain aspects of parties in the U.S. as opposed to those elsewhere. His discussion of European parties in the final chapter of Schlesinger (1992) is disappointingly bland, concentrating almost exclusively on the career advancement of party office-seekers. We learn, for example, of the striking similarity of the British Conservative Party and the French Communists in this regard, although we are given no clear reasons why this should be. It seems to me that the most likely explanation for this strange fellowship is that his theory is not capturing important aspects of party organization and behavior, and not that there are greater similarities between British Conservatives and French Communists than there are between them and their nominal counterparts elsewhere.
benefits between party and corporate elites, however, he too downplays the importance of the electorate. Thus, his work is not very useful in understanding party organization, except in the negative sense that he claims that American parties have not needed to incorporate voters in any direct way into the party apparatus as have many of their European counterparts.

Both of these theories of American parties, then, are constructed around a sharp distinction between parties, on the one hand, and the electorate, on the other. In the case of Schlesinger, parties formulate their policies carefully so as to appeal to the optimal number of voters they need in order to win given elections. Apart, presumably, from the credibility costs associated with sharp policy switches, there is nothing to stop parties, or those running under their auspices, from shifting policies incessantly so as to gain this optimal number of electors. Stability in the social composition of their voting coalitions is, by implication, largely a matter of indifference. As such, there is nothing in their organizational structure rooting them to particular electoral constituencies. For example, Schlesinger explicitly takes scholars referring to "the New Deal coalition" to task for describing what he sees as a largely fictitious entity (Schlesinger 1985).

Ferguson's parties are more constrained to support, over long stretches, the policy preferences of their major investors, but again, there are no clear links between the structure of parties as organizations and the means by which they aggregate the votes necessary to win elections. Ferguson describes plausible
processes behind policy change within parties. However, he needs a mechanism which allows such policies, which do not grow out of the preferences of voters, to be "sold" to the electorate. At this point analyses of this sort usually resort to discussions about corporate influences in the media and the preoccupation of campaigns with trivial, socio-cultural issues. What is it about recent party organization which allows these practices to be successful? Without providing a more elaborate social theory of party organization, these accounts miss an important part of the process through which parties become associated with particular sets of interests in the polity, while simultaneously being able to mobilize sufficient support to have a decent chance of winning elections, and thus, as Schlesinger would suggest, staying in operation as parties at all. 

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31 Ferguson is clearly unhappy about this aspect of his theory in relation to the New Deal. Although he argues that movements of corporate investment into the Democratic party at this time were the critical forces behind the creation of a new party system in which the Democrats were nationally dominant, he suggests that during this period, and only this period, was the behavior of the electorate (and in particular, working class voters) close to decisively influencing broader patterns of policy (Ferguson 1983). In this connection, his dwelling on the indifference of capital-intensive corporations to expanded welfare provision is significant, but his argument ultimately unconvincing, taken by itself (Jenkins and Brents 1989). The indifference of corporate political investors to a costly policy is surely only a necessary, and not a sufficient cause of its adoption. To address the range of reasons why the welfare state was permanently expanded in the 1930s, Ferguson would have to dwell on broader, and non-corporate aspects of the New Deal party system, which would blur the clarity of his theory considerably.
The two most striking facts about American political parties are their lack of mass-membership organization and their longevity. These facts are not unconnected. Since Duverger's pioneering discussion, it has often been noted that mass-based organization is an innovation of modern parties, i.e., for the most part, parties which formed after the 1880s. In itself, however, the observation that socialist parties were the main innovators in this respect, and that the U.S. lacks a socialist party, is not an adequate explanation for this gap in the American party arsenal. Duverger's discussion is quite clear that the reason for the difficulties other types of European party have had in adopting the branch form of organization is not organizational inertia, but rather the difficulty of sustaining mass organization in the absence of a working-class base.  

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32 Duverger's remarks in the 1950s on the relationship between the social composition of a party's base and the form taken by its organization are, as he admits, sketchy, but nevertheless repay close attention. Middle-class parties are, he suggests, more likely to find it difficult to abandon the caucus as the basic element of party organization, no matter how diligently they may try. He relates this, amongst other things, to the lesser incentive of middle class citizens to involve themselves in political activity in their leisure hours, politics, on the whole, being less critical in the determination of their income and standing in society than it is for working class citizens. Although this hypothesis would seem less useful in accounting for the stratification of political involvement since the 1960s, where middle-class activism has been increasingly important, the issue he raises is quite amenable to discussion in terms of social movement theory. Observers of social movements have been preoccupied with problems of collective action and "biographical availability" (or socially structured leisure time) for some time (McCarthy and Zald 1973; McAdam 1988). The increasingly obvious links between social movement activity and party formation in Europe in the 1980s (the environmental parties being the clearest examples) has already been promoting a return to Duverger's stress on the social bases of party organization, which has suffered something of an eclipse. Schlesinger, for example, describes Duverger's
Moreover, the Democratic party, or the State parties of which it was composed, did gain a strongly class-skewed electorate during the 1930s and 1940s, as its lurch to the left and redistributive policies garnered a majority of working-class votes. Lipset (1985: 192) provides evidence showing that in the 1948 election, the Alford index of class voting in the U.S. was close to 45, considerably higher than the closest available indices for Britain and West Germany. In an earlier work, he stressed that

The emphasis on "classnessless" in American political ideology has led many European and American political commentators to conclude that party divisions in America are less related to class cleavages than they are in other Western countries. Polling studies however, belie this conclusion, showing that in every American election since 1936 (studies of the question were not made before then), the proportion voting Democratic increases sharply as one moves down the occupational or income ladder. In 1948 almost 80 percent of the workers voted Democratic, a percentage which is higher than has ever been reported for left-wing parties in such countries as Britain, France, Italy and Germany (Lipset 1963: 303).

It is perhaps hardly necessary to remark that the notoriously close result of the 1948 election is often taken as evidence of the failure of the Democratic party to

approach largely in passing, as Marxist. Given Duverger's clear attitude to Communist parties and their form of organization (the cell, not the branch as Schlesinger suggests) in his book, this would seem to indicate a surprisingly passing acquaintance with his arguments (Schlesinger 1992).

The index is the difference between the proportions of the manual and non-manual workers voting for the left party in a given election. The index drops dramatically for the U.S. following the 1948 election, but as it is based on Presidential election results, and it is generally acknowledged that a vote for General Eisenhower was not necessarily indicative of a preference for the Republican party, the index probably overstates the rapidity of the decline of class voting in the U.S. after the 1940s as compared to other polities.
consolidate the achievements of the New Deal, and of a weariness of the American electorate with welfarism and left politics in general. If some portions of the electorate were shifting right at this time, however, the working class portion which is most critical from the point of view of the social democratic model of welfare state development was not among them.

Given this base then, why did at least some State parties not move towards some kind of mass-based form, such as the branch, which would have allowed them to capitalize on this class-concentrated pool of voters? Two answers come to mind. Firstly, the American electoral system as it had developed since the early 1900s, had become increasingly regulated by State governments in such a way that organizational changes of this type were unlikely to occur (Epstein 1986). Secondly, the Democratic party had become the world’s most durably successful political party precisely because of its caucus structure, and this structure had proved immensely adaptable during its peculiar shift from agrarian to working-class party during the 1930s. "Adaptable" is the key word here. To clarify what I mean, I shall resort to the kind of analogy with business organizations which is common in the political science literature.

The Downsian model of party systems portrays parties as teams of office-seekers competing like firms in an electoral "market" which coordinates the policies supplied by office-holders, and offered by aspiring office-holders, with the "demand" of citizens, registered through their votes. I pursue an analogy here with
business, but one which has less to do with any similarities of elections to markets, and more to do with similarities between different forms of party and corporate organization.

We can analytically distinguish two forms of party organization — integrated and disintegrated. Branch parties are integrated parties, incorporating their core voting support into the party organization itself though the mass-membership branch. Disintegrated parties rely heavily on contractual or quasi-contractual linkages between the party and other organizations in mobilizing voters. Branch-based parties, the equivalent of the vertically integrated corporation, are excellent at turning out a predictable vote from election to election, so long as their base is characterized by a high level of social stability. Under these circumstances, the issues on which they focus should not exhibit high levels of instability either. Caucus parties are disintegrated, and hence more flexible. Such parties are much more capable of shifting to other sources of support and forms of organization rapidly in response to changing political conditions. They do not develop their own mobilizing branches, but build quasi-contractual relationships with varying organizational constituencies in an effort to win their support at critical times. 

If this distinction is useful, Duverger was therefore correct in looking to explain different party organizational forms by examining how they were linked to the characteristics of their core supporters. He was, however, wrong to posit an inevitable developmental sequence from caucus to branch, because it is a mistake
to see caucus parties, as many have following Duverger's analysis, as necessarily "antiquated" in form. In fact, the flexible, disintegrated caucus form permits parties to adopt the most effective support organizations available at different places and times.

To describe this pattern of relationships in the case of a particular type of supporting non-party organization (labor unions) in American caucus parties, Piven (1991) uses the term party infrastructure. I think we can appropriate her term and use it more broadly to refer to strictly non-party organizations with which a party "contracts" in conducting election campaigns and otherwise organizing support among the electorate.

The history of the Democratic party is littered with diverse forms of party infrastructure. Initially, Democratic notables ran for office with the support of a network of clubs associated with the Jeffersonian movement. Later, voter mobilization through militia-type organizations became common from the 1860s to the late 19th century (McGerr 1986). Urban machines have become almost synonymous with "organization" in American politics (Mayhew 1986), and became the dominant form of party infrastructure for the Democrats from the mid 19th to mid 20th centuries. In the South, the role of county, or courthouse, rings (Key 1949) and the Farm Bureau (McConnell 1953) in stabilizing Democratic hegemony are relatively well known, as are those of unions, and Democratic reform clubs in the post-depression North and West (Greenstone 1969; Wilson 1962; Protess and
Social movements, and volunteer activists have been increasingly important since the 1960s. Most forms of party infrastructure are "labor intensive" (Ware 1992), and bring important current constituencies in direct contact with the party. Increasingly, the Democratic party has relied, like the Republicans, on more capital-intensive infrastructural forms — media organizations, advertising agencies, polling organizations and corporate and union PACs.

Schlesinger is strictly correct when arguing that the use of the term "coalition" has often been imprecise. Given that he restricts the use of the term "coalition" to refer to either solid support from particular segments of the electorate, or for the groupings of party adherents around particular candidates for office, his opting for this second sense is not surprising, as it is indeed difficult to argue that the "New Deal coalition" involved the continuous unanimous preference of the northern working class and southern farmers for the Democratic party. Recognition of the fluid boundaries which American caucus parties have with other organizations constituting their infrastructures, however, allows us to speak of coalitions in terms of organizational groupings, the political allegiances of which are certainly usually more sharply defined than divisions between the voting behavior of individuals in particular social categories.

Part of the reason for this clearer partisan support among organizations is, of course, that organizations often constitute the infrastructures necessary for American caucus parties to mobilize electoral support at all. Parties therefore give
special attention to needs of these organizations in formulating policy. Although the American working class, despite the evidence furnished by scholars like Lipset, is generally regarded to be less than unanimous in its support for the Democratic party at the individual level, this does not exclude the possibility of unions playing an important role in linking economic and political spheres in the US parallel to that which has been evident in other polities.

**Unions as Party Infrastructure in the American Setting**

Nowhere has the decline of unions been as dramatic in the last few decades as in the United States. This phenomenon might lead one to write off American unions as lacking enough political significance to bear much explanatory weight in the development of welfare provision. Yet, as Arrighi and Silver have argued, American unions were very strong in the 1930s, their political influence being exceeded only perhaps in Sweden (Arrighi and Silver 1984). Unless one sees them purely as aberrations, Germany, Spain and Italy provide us with clear European examples of the destruction of independent working-class organization at this time. In the United Kingdom, the inability of the Labor party to innovate sufficiently at the onset of the depression led to its replacement by the Conservatives and a labor movement which was clearly weak in terms of political influence, at least until the corporatist experiments of the coalition government during the second world war.
If American unions were not necessarily weak politically, others have argued that they were conservative, remaining opposed to welfare state development until the 1930s, and that their decentralized form has made them ineffective lobbyists for welfare state legislation. Although these arguments are seductive, they glide over several problems. Firstly, union opposition to welfare state development in its early years was not unique to the U.S. Orloff and Skocpol (1984), for example, note that British unions and friendly societies were extremely uneasy about the welfare state developments in that country in the first decade of the century, on the grounds that such programs would undercut union-administered benefit schemes and undermine working-class solidarity. The Swedish unemployment insurance scheme, administered by unions, is a well known concession to this distrust in another context (Esping-Andersen 1985).

Moreover, although American Federation of Labor (AFL) leaders Samuel Gompers and William Green were no radicals, it is clear that their opposition to the welfare state was uneven, confined to particular programs, and based as much on a fear of the consequences which intervention of the American state in labor markets might have on undermining unions, as on conservative ideology. Skocpol has shown (1993), for example, that whilst the AFL remained uneasy about unemployment insurance schemes until the early 1930s, and was steadfastly opposed to most minimum wage legislation, they were on record as being in favor of child labor legislation and the expansion of health-care provision.
Christopher Tomlins (1985) has argued persuasively that what often appears to be "conservatism" on the part of the AFL, judged from a modern welfarist standpoint, was in reality a deep distrust of the American state on the part of union leaders and the rank-and-file. This distrust was grounded in the interventionist and staunchly anti-labor actions of the Supreme Court since the 1880s, and in the seeming inability or unwillingness of the other branches of government to do anything to mitigate this.

The argument that the decentralized nature of the AFL was a serious impediment to welfare state development has been the subject of an excellent recent discussion by Skocpol (1993). In a modification of her earlier strongly "state-centered" views, and contrary to the usual thrust of arguments about the (negative) welfarist implications of decentralized labor organization, she describes the role of State labor federations in pressing for welfare state expansion at the State level prior to the New Deal. Although data are patchy, the evidence which exists suggests that union densities in northern States such as Massachusetts were quite comparable with those in countries like Britain in the early 20th century (Orloff and Skocpol 1984). Given this, it would be remarkable if State labor organizations were not involved in pressing for protective legislation, in alliance with other groups, at the level of the States. Skocpol shows this to have been the case even for issues like minimum wages which were shunned by the AFL nationally.
Given this more ambiguous picture, we need to be careful in dismissing the role of unions in U.S. welfare state development. We at least need a more nuanced picture of the role of AFL unions. The case of the Congress of Industrial Organizations (CIO), which emerged amidst the dramatic strike waves among industrial workers of the mid-1930s, requires less comment. The activities of the CIO provide the clearest examples of working-class political organizations acting as party infrastructure for the Democratic party in the 1930s (Greenstone 1969; Piven 1991). The role of the CIO in Roosevelt's massive re-election victory in 1936, and his turn to the left thereafter, is well-known, as is the role of the CIO Political Action Committee in pioneering the development of a type of campaign organization which remains the norm in American politics. At the level of individual States, Piven and Cloward have discussed the critical contributions of CIO union members in mobilizing voters for the Democratic party in northern industrial States (Piven and Cloward 1977; Piven and Cloward 1988; Piven 1991).

Although the role of the CIO, and unionization more generally, was far weaker in the South, the tendency in the 1940s was clearly parallel to that in the North. Southern liberal candidates began to rely on CIO endorsements, funding and members in attempts to form farmer-labor coalitions. Generally running against old-line rural, or new-line business progressive candidates in primaries, they could neither rely heavily on established county-ring or urban business infrastructures, and State CIO affiliates often provided an, albeit meager, substitute. James Folsom,
for example, in his successful farmer-labor campaign for the governorship of Alabama in 1946, received critical help in urban areas from the Alabama CIO, which worked to counteract the influence of business on urban voters, and bought radio time for Folsom to air campaign commercials (Key 1949).

The extent to which connections with the CIO became a campaign issue in the South of the 1940s and 1950s, and the vehemence with which southern conservatives linked the union and race issues at this time, are surely testimony to genuine fears not only for the success of organizing drives like "Operation Dixie", but also of the realization that unions provided an independent organizational base for candidates opposing the dominant cheap labor strategy of southern development.

Unions, especially CIO unions, therefore, provided important organizational infrastructure for Democratic candidates, and Democratic organizations more generally, from the 1930s onwards. It is consequently misleading to suggest, therefore, as does Mayhew (1986), that States like Michigan, Wisconsin and Minnesota were lacking in party organization. His "traditional party organization" construct which allows him to separate out "organization" and "non-organization" States is based almost entirely on one form of party infrastructure, the urban and State machine of the Northeast. Given the importance of different, less centralized forms of infrastructure in other parts of the country, such as the South, even the label "traditional" is a little misleading in this regard.
On the other hand, we need a concept something like party infrastructure precisely because American caucus parties do not contain, within themselves, mechanisms for the mobilization of voters. Thus Fenton’s suggestion (Fenton 1966) that there was some kind of absorption or merger between the Democratic party in a State like Michigan and CIO unions, is also a little misleading. Even in Michigan, the relationship between party and unions has never approached that obtaining in European integrated, branch-based parties.

Moreover, because of the flexibility inherent in caucus-based parties, it has proved quite possible for a single party to simultaneously exhibit several different forms of party infrastructure in different geographical locations during any given series of elections. In the Democratic party of the 1950s, for example, it would have been possible to observe county ring organizations, urban machines, union electoral organizations, reform clubs and capital-intensive media infrastructures all employed in the service of candidates nominally in the same party. Given that our interest here is primarily in assessing a particular model of welfare state development of which unions are an important component, we are primarily interested in those particular States in which union infrastructures are more likely to have been durable features of Democratic organization.

Following the discussion in Chapter III, we can hypothesize that union infrastructures were more important in sustaining the Democratic party in those States where the party experienced a clear and sustained resurgence of its
policymaking influence in the 1930s and 1940s. Two reasons can be furnished for this. Firstly, in those States where the Democratic party had become relegated to a minimal role in terms of office-holding during the 1896-1932 period, the party was much less likely to have sustained alternative effective forms of infrastructure. Given the quasi-contractual nature of the relationship between parties and their infrastructural organizations, the latter are unlikely to seek a strong supporting role for party candidates in the absence of benefits credibly promised in return. Under these conditions, in fact, the only way in which parties can maintain some form of flow of resources to sustain their core personnel may be to avoid winning elections. Electing party candidates as State office-holders with associated control over patronage, for example, may come to be seen as a threat to established distributions of party jobs and resources among its core adherents. In States without either Democratic governors or senators during the Wilson and Roosevelt administrations, State executive committee chairmen had control over whatever patronage came their State's way and were reluctant to campaign to create a situation where they would lose this power. Fenton (1966: 12-13) and Buffa (1984a) have documented this process well in the case of Michigan. In these circumstances, there is less likelihood of conflict between union objectives and those of other infrastructural forms, or of the absorption of union infrastructure by pre-existent infrastructures, such as city machines, which have rather different policy needs.
Secondly, and more positively, it is precisely in situations where the Democrats experienced sharp electoral reversals of their earlier low profile in the 1930s that aspiring new party elites were likely to perceive the renewed value of the party in fashioning public policy. This enhanced relevance of the party as a policy-making vehicle, along with the atrophy of its former organizational structures, invited attempts at dislodging pre-existing leadership. In converting resuscitated State parties into policy vehicles, rising party elites required organizational allies with a broad mass base, and frequently turned to unions in this connection. The classic examples of this process are the liberal-labor alliances which emerged in Wisconsin, Michigan, and Minnesota (Epstein 1958; Sorauf 1954; Buffa 1984a; Fenton 1960: 11-113; Mitau 1960).

In summary, we can expect many State Democratic parties to have been able to profit from the flexibility afforded them by their disintegrated caucus form of organization by using labor unions as party infrastructure in election campaigns. While this flexibility may have some negative consequences for a party’s electorate and even for the organizations forming its infrastructure at particular times, because there is always some probability of being dropped in favor of other voting groups and more effective electoral allies, it was certainly not an unhappy circumstance for parties. It is simply not the case that parties must adopt mass-based branch forms of organization in order to have effective linkages with working class voters.
Unfortunately, I cannot engage in a Mayhew-like examination of union-party interrelationships in all of the State polities. Therefore, it is not possible to test systematically the implied hypothesis that those States loading highest on the fourth component identified in Chapter III are indeed those in which the adoption of union infrastructures by party candidates and nuclei has been most important, despite the clear associations in certain States like Michigan and Wisconsin. In itself, data on unions disaggregated to the State level is hard to come by, which may explain the absence of unions from many statistical analyses of State welfare outputs. Still, we can at least look for circumstantial support in the relationship between the New Deal surge of Democrats in State legislatures in the previous chapter, and the relative strength of the labor movement across the states using the data that Leo Troy has laboriously compiled from membership and dues data held by individual unions for 1939, 1953 and 1975 (Troy 1957; Troy and Sheflin 1985).

Figures 15, 16, and 17 show, respectively, the relationships between State union densities (the percentage of the non-agricultural labor force that is unionized) and the average lower and upper house loadings for each State on the New Deal surge component of Chapter III. On the whole, there is a positive relationship between the two in each period, although it is weaker in 1975 than previously. Whilst states experiencing pronounced New Deal surges, like Washington, Michigan and Pennsylvania, are also states with persistently strong unions, and most southern states, with little or no New Deal surge, consistently exhibit low
Figure 15: Union Density and New Deal Surge, 1939
Figure 16: Union Density and New Deal Surge, 1953
Figure 17: Union Density and New Deal Surge, 1975
levels of unionization, the relationship is not as tight as we would wish if we wanted to be conclusive about the relationship between unionization and patterns of Democratic party power across the States in the post-war period. Several States which are more strongly associated with the third component of the last chapter (which represented the continuation of pre-New Deal competitive politics), such as Ohio, Indiana and New York, have also exhibited high levels of unionization over the period in question.

We need to recognize two important limits on a direct relationship between union strength and strong shifts to the Democratic party over the New Deal. Firstly, where a strong New Deal surge has not been accompanied by some degree of persisting competition between Republicans and Democrats as measured by the third component identified in Chapter III, unionization has been low. In states like New Mexico which fall into this category, the replacement of Republicans by Democrats as the dominant party in the 1930s, whilst having a similar pattern to events in other states, is unlikely to have been accompanied by any of the other processes suggested by the social democratic model. In particular the model suggests that mutual reinforcement between redistributive parties and unions is important in fostering enhanced redistributive policies.

The second limit is that, while the general relationship of unionization with the New Deal component still shows up clearly in the peak at the right-hand side of the graph, there is clearly a secondary peak of unionization at medium levels of
the New Deal component and high levels of the competitive component, as we would expect, given the industrial economies of several of the States with high values on this measure.

Therefore, we have to be careful in making inferences from the levels of unionization observed in particular States, which are unfortunately all that we have systematic data for, about the role of unions in fostering more generous welfare provision at the State level. Although we know, from case studies, that unions did play this role in certain states loading high on the New Deal surge component, and that this role was facilitated by their acting as party infrastructure for revitalized State Democratic parties, we should not expect this to emerge clearly in systematic tests on the basis of union density data. Secondly, the example of New Mexico alerts us to the possibility that a high loading on the New Deal surge component is not necessarily associated with the mechanisms postulated here to be equivalents to those in the social democratic model of welfare state development: we need to be careful in the statistical analysis which follows to interpret the results with this in mind. Thirdly, and partly because unions were not able to create strong links with Democratic parties in many industrial states, we have to bear in mind that state-provided benefits are only one of two means by which unions have sought to secure protection for their members from the effects of the labor market.\[34\]

\[34\] Besides these, there is a third, the securing of higher wages for their members, which will be touched on in specifying the regression model below.
The two routes open to unions in pressing for expanded intervention in labor markets to protect workers, run through the two most capacitous organizations of the 20th century, the state and the modern corporation. In interpreting the effects of unions on State benefits in the analysis which follows, we must remember the role of bargaining for private benefits as a substitute for state provision in the U.S. context. Beth Stevens (1988) has shown how many American unions began to turn their energies away from securing government benefits, and towards the private sector, especially when the Republican resurgence in many States and at the national level in late 1940s and early 1950s made union legislative demands harder and harder to realize. Piven has also argued that the postwar decline of the unions as infrastructure for State Democratic parties was, paralleled by an increase in seeking benefits from the private sector. Therefore, we need to bear the possibility in mind, in the analysis which follows, of high unionization levels not showing up as determining levels of State benefits after 1930s and 1940s. If this process was as widespread as she argues it became, it must have imposed clear limits on the impact labor unions were able to have on public welfare outputs.

The U.S. Unemployment Insurance Program as a Test Case

There are a considerable number of programs which could be used as examples for further analysis in the present study. There are three reasons why the
Unemployment Insurance program has been chosen as an example for descriptive analysis in this chapter and as a dependent variable in the statistical analysis of Chapter IV. Firstly, it involves a direct intervention into the labor market, allowing men and women to support themselves for reasonably prolonged periods without having to sell their capacity to work in order to survive. As such, it is surely a clear example of a policy intervention of the "decommodifying" sort suggested by the review of the social democratic model in the previous chapter. Its orientation to wage-earners makes it an ideal program for testing propositions regarding working-class party influences on welfare state development. Furthermore, it has been the object of an interesting analysis by the "state capacity" school (Amenta et al 1987). This renders it less susceptible to criticism on the grounds that it has qualities peculiarly biasing it towards one explanation or another.

Secondly, it is highly decentralized, with decisions regarding funding levels, eligibility, and levels and length of benefits being made at the State level over most of the post-war period. Other programs, including pensions and Aid to Families with Dependent Children, have had considerably greater Federal government influence in their geographies of program development and generosity. From the point of view of the analysis in Chapter IV, it is important that Federal incentive patterns and subsidies not overcomplicate the analysis of the effects of the political economies of the various States.
Thirdly, Unemployment Insurance, as a functioning program, has unambiguously New Deal origins. One of the most important components of the work of Theda Skocpol and her associates has been to show the complicating effects of prior political legacies in particular program areas. I regard this as the most important emphasis of their work, and one which is largely separable from their specific hypotheses regarding bureaucracy and expertise, although legacies of this nature are those on which they have focused most intensely. Martin Shefter's work, for example (Shefter 1978, 1983, 1986), shows how very fruitful such considerations can be when applied to political party organization.

In the present study, however, my focus is restricted to assessing the influence of the Democratic party on welfare outcomes since the 1930s, and theoretically, let alone statistically, it is important in this context to create as controlled a test situation as possible. If we wish to utilize theories which have primarily been created in the context of left party breakthroughs in Europe, it is important to study a program in the U.S. context which was created in a reasonably similar set of circumstances.

Although it had long been a subject of intense discussion by reform elites and bureaucrats (Nelson 1969), unemployment insurance only found institutional form as a result of the Social Security Act of 1935. Wisconsin was the only State which had introduced its own system prior to the Act, in 1932, a fact that has been used to stress the importance of prior developments there in constraining the
development of the national program (Orloff 1988). However, the 1932 Wisconsin program was never to function, being overtaken by Federal developments. Even its status as a "model" for other States is dubious, most States adopting a different mode of financing and organizing Unemployment Insurance after 1935 (Amenta et al 1987).

Other components of the Social Security Act did, however, have functioning antecedents in many States. 19 States had some form of old age pension in 1932, 11 some form of aid to dependent children. Levels of benefits, therefore, in ADC and Old Age Assistance were set at the State level after 1935 in a context in which a pattern of relative generosity had already been established. These levels surely influenced the early post-New Deal situation in these States, and this would undoubtedly complicate efforts to determine the impact of changes in party power. States and localities had long provided for some form of outdoor relief and public works (Katz 1986), and so a similar situation would arise in attempting to use the temporary New Deal responses to unemployment, Federal Emergency Relief and the Works Program, even given their short histories.

This final rationale for choosing Unemployment Insurance as a test case is not an attempt to evade arguments regarding the importance of prior state capacity in shaping welfare state development. I remain unconvinced by arguments which assert this as the only, or even the major, factor in the growth of mixed economies and welfare states, but I do think it can be important, and leave the door open to
this possibility in Chapter V. The effects of "prior legacies" in particular program areas on later patterns of policy are highly complex, and are not restricted to the development of autonomous administrative structures populated by university-educated reformers. Policy-making routines and long-standing compromises in State legislatures, for example, have been arguably at least as important in explaining such patterns of policy inertia. It is certain that any such effects complicate analysis where they arise, and should be treated carefully in those situations where alternative explanations of such legacy effects are considered. My motivation here is simplicity, particularly as prior legacies of a rather specific sort — previous patterns of Democratic party power in State legislatures — have already been a major source of complication in Chapter III.

**Party Power, Unions, and Unemployment Benefits**

To what extent, then, do the results of the analysis of State party differentiation in Chapter III, and the presence of strong unions, help in explaining variations in welfare state outputs across the States? In this section I present some relatively uncomplicated regression results designed to assess this question, and discuss some further issues which they raise.

The dependent variable in the analysis is the average weekly unemployment benefit paid out under the unemployment insurance program, for the years 1939, 1953 and 1975. These years have been chosen to correspond with those for which
estimates of union density are available by State. Fortunately, they sample relatively meaningful periods in the history of the U.S. welfare state over the post-war era: the late New Deal and the first years of the unemployment insurance program; the period of relative program stability in the 1950s, after the war and after some of the effects of the retreat from the New Deal and the re-invigoration of business-oriented politics should have been registered; and the period of the highest development of decommodifying policies, before the effects of the recession of the early 1970s were extensively felt in the welfare policy domain. The data are taken from U.S. Department of Labor (Employment and Training Division) (1978).

In line with the greater focus on specific programs which has characterized most welfare state research in recent years (Rose 1985), a specific measure of relative generosity in a particular program has been adopted here. Two further questions might be raised at this point regarding this dependent variable, one concerning its aggregate nature, and another regarding its ability to truly measure relative "decommodification" in the program across the States. Because the average weekly benefit is an average, calculated by dividing the total money paid out in benefits by the total number of recipients, the figure will not truly reflect the benefits taken home by individual beneficiaries. The figure may well be biased by those workers in particularly stable prior employment, who, under an "insurance" type social program, will systematically receive higher benefits. Therefore, use of
the average figure will conceal important differences among recipients depending on their prior work experience and occupational position. Alternatively, and even ignoring such social stratification effects, simply by virtue of its calculation by aggregate benefit and recipient data over fixed intervals of time it may not be a good estimate of the real average benefits of the individual beneficiaries over the real time intervals involved.

The first problem, that of the stratification of benefits across workers with different work histories, is certainly interesting, but could only really be effectively addressed using individual-level data in a study explicitly looking at the manner in which welfare state programs reinforce, or create, stratification among their clients. This is an important issue stressed most thoroughly by Esping-Andersen (1990: 55-78). The second problem, the possible bias inherent in the use of aggregating benefit-client data over discrete periods of time, has been examined by Felder and Li (1980), who compared average weekly benefit figures as used here, with calculations based on samples of unemployed persons included in the Current Population Survey. Their results indicate that there is little to be concerned about in terms of the average weekly benefit figure biasing our estimate of the true average benefits taken home in a particular State.

A further issue is the degree to which a simple measure such as this one can capture what is referred to in the recent literature as "decommodification" (Offe 1984; Esping-Andersen 1985, 1990; Korpi 1989). Although, as suggested earlier,
examining a particular program rather than highly aggregate measures can be a useful way of understanding welfare state development, Korpi (1989) has argued that we need to go further than focusing on benefit levels alone as a measure of decommodification. In a cross-national study of sickness benefits, he urges that measures of decommodification in given programs should be complex, incorporating as much information as possible about eligibility, length of benefit, generosity of benefits, and the proportion of the population covered. Only thus, he suggests, can we be assured of not missing important dimensions of the degree to which state policies remove men and women from labor market dependence. Otherwise there is the risk that it will be glossed over in analyses relying on simpler measures such as benefit levels, or aggregate proportions of spending or of national product on social programs.

Much of what Korpi has to say is undeniably important and has been echoed by other authors (Esping-Andersen 1990; Skocpol and Amenta 1986). The more that we can begin to separate out different dimensions of welfare state activity, particularly within comparable programs, the more precise and complex our comparisons between polities are likely to become. I do think, however, that problems can arise when, as with Korpi, this multidimensionality results in the construction of an index whose meaning is unclear, because it is composed of so many different weighted dimensions of the policy in question. Furthermore, when Korpi uses this index in a subsequent regression analysis, the results become rather
difficult to interpret. It is hard to get a clear assessment of what, for example, the interpretation of unstandardized regression coefficients should be, their relative "economic" significance in particular, when we are not really clear as to what a one unit increase in the dependent variable, an amalgam of a number of different measures, represents\textsuperscript{35}. Korpi's regression analysis is admittedly exploratory and furnishes some interesting results. This measurement problem is nevertheless exacerbated by his use of a pooled time-series design, in which interpretive problems are multiplied because of the greatly increased probability that some combination of heteroskedasticity, autocorrelation and collinearity is present and affecting the coefficient estimates in unknown ways (Sayrs 1989).

The independent variables have been selected so as to test the basic hypothesis of this dissertation: i.e., that a revised version of the social democratic model has some validity in explaining variations in the development of welfare states at the State level in the U.S. I will consider each of them in turn.

Firstly, as the social democratic model is basically a model about the effects of particularly situated political parties on welfare state development, I use the

\textsuperscript{35} A given independent variable can appear to have a substantial effect, relative to others, upon inspection of the standardized regression coefficients commonly reported in sociological analyses, but have very small unstandardized regression coefficients. In the context of econometric modelling, where the interpretation of coefficients is usually clearer, given their expression in monetary or other standard units, this sort of situation arises less frequently. Where we are not sure of the real measurement units implied by a dependent variable, as is generally the case with constructed indices, we are in a correspondingly weaker situation when it comes to assessing our results.
average of the lower and upper house loadings for each State on the fourth, "New Deal surge" component of Chapter III, as a measure of how far a State's Democratic party is likely to have transformed itself in a social democratic direction over the 1930s and 1940s. By itself, this variable does not necessarily imply Democratic legislative majorities over the period in question, let alone overall Democratic control of State government. As we have seen, after the New Deal there are few years in which the Democrats were likely to have had as low a policy-making profile as they had in many States from 1896-1932. There were, however, few northern states in which the Democrats had much success at sustaining legislative majorities until the 1970s. We ought, therefore, to control for the degree of control exercised by Democrats over the legislative and executive branches of State government if we are to properly interpret any direct effect the New Deal surge variable has on the level of unemployment benefits at a given time.

It is important to note that a Democratic majority is not hypothesized here to be a necessary condition for more generous benefit provision. Indeed, given all that we know about State legislatures in the South — the region with the most striking Democratic majorities over this period — such a situation seems unlikely. The Democratic control of State government variable which appears in the analysis is very simple, taking values from zero (Republican control of both legislative houses and the executive) to 3 (Democratic control of both houses and the
executive). Given the sustained control over State governments in the South by Democrats over the period, we should probably be surprised if significant positive coefficients are associated with this control variable, once the New Deal surge component is included.

A more realistic hypothesis would be that the pressure which transformed Democratic parties were able to exert once they managed to sustain a position of greater power in the legislature, led to higher benefits irrespective of whether they achieved governmental control. To some, this may appear to be a rephrasing of the classic hypothesis that party competition in State legislatures, rather than a one party majority, is more likely to create pressures for greater social provision.

If we recall, however, the discussion in Chapter III, competitive situations in politics ought to be differentiated according to the paths by which they were arrived at. On this basis we expect competition arising from a post-New Deal challenge to Republicans from relatively-modernized Democratic parties to exhibit a more consistently positive relationship with welfare outcomes, than competition between "in" and "out" parties following political rhythms established long before the New Deal. The loadings on the third component which we identified earlier in Chapter III as "persistent competition", and similarly averaged here for each State across upper and lower houses, are included in the model to assess the validity of

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36 Data on legislatures were obtained from the Burnham data set discussed in Chapter III. Information on the partisanship of governors was obtained in Council of State Governments (v.d.).
this distinction. In sum, we expect the New Deal surge component to contribute positively to the variation in benefits in each period, and we do not expect the persistent competition component to fulfil such a role.

In the discussion of union-Democratic party relationships above, I remarked on the difficulties inherent in testing propositions concerning the effects of unions on welfare state development in the U.S. context, because of the paucity of systematic data or information on State labor federations. Indeed, the years chosen for the present tests, were, as I have noted, determined largely by the availability of reasonable estimates of State union density. As a result, we should probably regard the tests of the union component of the model with greater skepticism than the others.

In effect, we can only test for any direct effects of unionization, as measured by its membership in each State polity, on welfare generosity: it is unlikely that tests of the significance of union-Democratic party interaction effects would get at the kinds of infrastructural linkages discussed earlier. I suggested above that there is no strict positive relationship between union membership and the probable social democratic character of State Democratic parties. Membership or density data do not even plausibly allow us to infer strong linkages between parties and unions, because this type of linkage is as much dependent on the character of the party as it is on union strength in the economic sphere. We are, then, probably well-advised to confine our test here to one of the likelihood of
The union density figures used are those in Troy and Sheflin (1985), and refer to the percentage of the non-agricultural labor force who are union members in the year in question. It would be useful to have comparative estimates of AFL and CIO membership by state for the early part of the period. It is possible to examine the growth rates of these Federations separately using NLRB election data (U.S. National Labor Relations Board v.d.), but without a base membership on which to calculate densities in subsequent years, we cannot use growth rates to estimate separate federation densities. What we can do is to assess the relationship between overall union densities and benefits, which we expect to be positive, at least in the immediate New Deal period, before the processes of private bargaining discussed in the first part of this chapter became more extensive37.

37 For details on the compilation of the Troy and Sheflin estimates, see Troy (1957), Troy and Sheflin (1985). There is a discussion of the difficulty of studying State-by-State union membership change in the U.S. in U.S. Department of Labor (Bureau of Labor Statistics) (1985). The Bureau of Labor Statistics ceased collecting Union Density data during the Reagan Administration. The most readily available State-by-State estimates for the 1980s are for manufacturing workers only. Given the growth and resilience of non-manufacturing public sector unions in the U.S. since the 1960s (Goldfield 1987), it would be unwise to try and substitute these data in further cross-sectional models for the 1980s.
In Chapter I it was noted that the social democratic model of welfare state development arose as part of a critique of approaches to social policy based on modernization theory, and the assumption that social policy development was a unmediated response to "economic development." Researchers proposing the model suggested that higher levels of economic development, accompanied by new levels of social stress and needs, whilst clearly relevant to welfare state development, were insufficient theoretically and empirically as an explanation for the variety of the experiences encountered in the developed countries. No one has been so bold as to suggest that economic development, measurement issues aside, has nothing to do with the development of welfare states, particularly in that it imposes limits on feasible revenue extraction. Therefore, and particularly given the large disparities between the State polities of the U.S. in terms of economic development (Dye 1966), we need to control for it in some way.

In the present context I use wage levels, measured as the average weekly wage in covered employment, as a control for economic development in assessing the effects of parties and unions. The data are from U.S. Department of Labor (Employment and Training Division) (1978). There are several reasons for this choice of an economic control variable. The use of wages in this manner allows us to assess the degree to which variations in benefits have been tied to relative wage levels. In the context of the U.S. States, there are two connected reasons why this relationship should be strong. Firstly, as was noted in Chapter II when discussing
the debates surrounding the Social Security Act, we know that some of the strongest opposition to the American welfare state came from labor-intensive industries. Many of these have operated at the State and local level and lobbied through State Chambers of Commerce and Manufacturers' associations against expansive welfare measures, and for relatively low benefit amounts (Colin Gordon 1991). This is still a prominent pattern of pressure in State policy-making in the U.S. and has been reinforced by the competitive structure of State economic development policy as it has emerged in the postwar decades. Benefits, it is argued, must be kept low in relation to wages, so as to maintain a State's edge with respect to its competitors. Secondly, this relationship between wages and benefits is formalized, to some extent, through the manner in which benefit formulae are adjusted and approved by State government policy-makers. Given that most welfare state benefits, in the U.S. and elsewhere, are set explicitly by legislatures or bureaucracies with respect to wage levels, it is remarkable that many researchers have chosen to relate benefits and social spending not to this economic indicator, but to more aggregate, and less interpretable, measures such as GDP and State personal income. In the U.S. context, given that by far the largest proportion of State personal income is composed of wages, it is not surprising that where "economic development" is incorporated in this manner into regression models, and that a strong positive relationship emerges (e.g. Dye 1966). Unfortunately, results such as these tend to give the impression that economic development in some
general sense "causes" higher welfare spending, and the much more direct and plausible relationship between wages and welfare spending is unexamined.

Another good reason for using wages rather than some other measure in examining State welfare outputs is that the social democratic model stresses the degree of decommodification involved in particular programs as a focus for empirical research. Much of this research has used various ratios and indices as dependent variables in regression contexts, thus incorporating the relationship of benefits to wages directly into the independent variable (Esping-Andersen 1990; Korpi 1989). Although indices such as replacement ratios can be illuminating, their use in regression models when related to a further set of independent variables is doubly problematic.

The use of ratios as dependent variables, particularly in cases where related variables (such as, in this case, "economic development" measures) are incorporated on the right hand side, renders regression results hard to interpret correctly. Because they are jointly determined by variations in both numerator and denominator, the meaning of the regression coefficients is unclear (Wrigley 1973; Evans and Jones 1981). Furthermore, given that wage levels are not merely a useful benchmark for evaluating relative benefits, but enter into the formal and informal determination of those benefits in the first place, the use of such ratios has an unfortunate tendency to further gloss over the extent to which wage determination is an important causal factor in benefits. This is a substantive version
of the statistical problem of ratios: from this point of view, the use of wage ratios as a "benefit" measure conceals the effects of wage determination in setting levels of decommodification, a set of effects which, in market societies, is likely to be considerably greater than those of State benefit levels.

We expect the coefficient on wages to be, for these reasons, strong and positive for all periods examined. The major unresolved question is whether any of the political variables will attain significance in addition to wages. I think that this is a more practical way of assessing "countervailing" political power in the development of welfare states than is the use of "decommodification" indices or ratios\textsuperscript{38}.

In testing the effects of these variables on unemployment benefits in the three time periods, I have tried to keep the regression models simple. Although some of the econometric techniques making their way into the welfare state literature outside economics are quite complex, there are disadvantages as well as advantages involved in such a development. I present Ordinary Least Squares (OLS) estimates, with certain diagnostic tests and limitations suggested by the

\textsuperscript{38} One reason why "decommodification" ratios have attained popularity in cross-national research may be that they obviate the need for dealing with variations in the monetary units of wage and benefit data. Here, no such problem arises. All monetary values are, however, expressed in constant (1982-3) dollars, to ensure some degree of comparability from one cross-section to another. Clark, Gertler and Whiteman (1986) have shown that differential regional rates of inflation are not consequential enough to interfere with aggregate analysis at the State level, and I have used the national consumer price index (from U.S. Department of Commerce (Bureau of the Census) (v.d. a)) as the deflator in this case.
likely presence of problems of collinearity and heteroskedasticity in the estimates obtained. I shall consider both of these potential problems in turn.

Because there have been so many hypotheses put forward about the determinants of welfare state development, there has been a tendency for researchers to incorporate large numbers of variables into their analyses. It is not uncommon to come across regression models in the welfare state literature incorporating over 10 independent variables at a time. This kind of model specification gives rise to the possibility of severe collinearity among the independent variables.

Collinearity (or multicollinearity) is a condition which is endemic in non-experimental statistical analysis. The reason why it is such a widespread problem in social science research is that it results, essentially, from a problem of insufficient information. Collinearity becomes a problem where the independent variables in a regression model exhibit interdependencies not only with the dependent variable, but with one another. Unless we are able to supply more information about these variables, in the form of more observations, or by imposing prior restrictions on the behavior of the affected parameters, we simply cannot determine the independent effects of a particular independent variable on the phenomenon under analysis. In the social sciences we are rarely in a position to add more empirical data to our samples, through repeated sampling or otherwise. Outside economics, where prior theories about the relationships among important
parameters may suggest appropriate restrictions, we are equally unable to impose limits on the behavior of the regression coefficients. As a result, collinearity is an especially difficult problem for researchers working in areas where there are limited data, and our theoretical knowledge is weak, or highly contested.

It is often suggested in econometrics texts that limiting the number of variables in a model is an inappropriate way of handling the collinearity problem. Essentially, the argument here is that since collinearity is a problem of insufficient information, removing information by dropping possibly important variables is unlikely to be useful, and will merely create further problems of mis-specification (Johnston 1984: 253-6; Kennedy 1987: 151-2; Belsley 1991). This is, however, not an argument for running regressions containing large numbers of variables thought to bear some relationship to the dependent variable under several different theories of the phenomenon of interest.

In the econometrics literature, models are usually derived from economic theory and contain relatively few independent variables each of which can be strongly justified. If, in available samples, these variables exhibit troublesome interdependencies, it would clearly be problematic to drop one or more of them in attempting to estimate the parameters of those which are left. Here, the "correction" for collinearity undermines the attempt to validate precise theory. In the social sciences, we rarely have such precise theory, particularly when carrying out aggregate analyses of phenomena such as welfare state outputs. If collinearity
can be problematic in relatively small econometric models, the consequences for linear models of welfare state development where all manner of independent variables are introduced on the right-hand side should be evident. It seems to me that the correct strategy is to use as many, but only as many, variables as suggested by a relatively well-developed theory of welfare states, such as the social democratic model. Even here, it is necessary to be alert to the possibility of collinearity with even a small number of independent variables.

Collinearity can present serious problems with only a few independent variables present, as much of the econometric literature attests. Moreover, it is not necessarily easy to detect. Sometimes, a collinearity problem will be evident from

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I choose to build a model with five basic independent variables in the present context, on the basis of the modified, general, social democratic model discussed in this dissertation. There are two other common ways of trading off the uncertainty about the causes of welfare state development, and the problem of collinearity resulting from introducing too many independent variables deemed potentially significant. Firstly, large numbers of candidate independent variables can, if so desired, be reduced to a number of orthogonal principal components for regression purposes (Kennedy 1987: 152). Examples of this in the American welfare state literature include Hofferbert (1966), Sharkansky (1968), Sharkansky and Hofferbert (1969). Although the use of orthogonal components eliminates the collinearity problem by definition (so long as all the components are not introduced as independent variables) the price here is, as suggested in Chapter III, the difficulty of interpreting the components which emerge in the analysis. A second possibility is to utilize one or other of the specification search techniques commonly implemented in computer packages as forms of "stepwise regression". This is most useful in exploratory analyses where the researcher has only very vague ideas as to what causes the phenomenon under consideration. In the present case, our theoretical knowledge is a little better than this. Where we do have at least a broad hypothesis as to the likely causes involved, we are best not to resort to this much-criticized technique (Leamer 1978; Cooley and LeRoy 1985; Anselin 1987, 1988).
a high \( R^2 \) in combination with a number of suspiciously insignificant coefficients on variables strongly felt to be related to the dependent variable. At times, the structure of dependencies among the independent variables is relatively simple. Under these circumstances, easily carried out precautions such as the examination of the intercorrelations among the independent variables may suffice to detect, if not correct, a problem. If the interdependencies are more complex, involving more than pairwise relationships between variables, such techniques will not suffice.

In the present context, with five basic independent variables in the model, care still needs to be exercised. In particular, we might have some concern about possible interdependencies between wages and union densities. The best test for collinearity among right-hand side variables is that suggested by Belsley (Belsley, Kuh and Welsch 1980; Belsley 1991). The diagnostic is based on the condition number of the \( X \) matrix, defined as:

\[
\kappa(\mathbf{X}) = \sqrt{\frac{\lambda_{\text{max}}}{\lambda_{\text{min}}}}
\]  

(8)

\( \lambda_{\text{min}} \) and \( \lambda_{\text{max}} \) here refer to the minimum and maximum eigenvalues of \( \mathbf{X}'\mathbf{X} \). If the columns of the \( X \) matrix are scaled to unit length, then the condition number will be unity where the columns of \( X \) are orthogonal, and will get larger with greater levels of collinearity. Belsley, Kuh and Welsch showed that a condition index could be calculated for each eigenvalue which will range from unity for \( \lambda_{\text{min}} \) and rise to \( \kappa(\mathbf{X}) \) for \( \lambda_{\text{max}} \). If, on inspecting the condition indices associated with the eigenvalues...
of a particular $X'X$, one finds one or more which exceed a "critical" level, usually suggested to be 30 (Johnston 1984: 250; Kennedy 1987: 153), then collinearity is probably an issue. The proportions of the variance in the regression coefficients associated with these "suspicious" eigenvalues can be examined in order to pinpoint the variables which are the likely sources of the problem. Coefficients with variance proportions of greater than 0.5 are likely to have been affected by collinearity (Johnston: 250).^40

I have examined the condition indices and variance proportions at each step of the analysis, and the results presented here appear to be free of collinearity problems. Although there is a relationship between wages and union density in each time period, it is not sufficiently strong to show up in the condition indices or variance proportions for any of the matrices involved. I have, however, made use of this diagnostic technique in ruling out trying to incorporate variables relating to "state capacity" theory as controls in the present context.^41

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^40 Belsley (1991) discusses these procedures in great operational detail, showing in particular where to move beyond the rules of thumb encountered in many accounts to detect more complicated patterns of dependency among the columns of $X'X$.

^41 The state capacity theory is hard to operationalize in statistical models, as Korpi has noted (1989). The model has, as I stressed in Chapter I, been developed through highly contextual, rather than generalizing, research. It has, however, been the subject of several statistical tests (Amenta and Carruthers 1988; Amenta and Zylan 1991; Korpi 1989). Even here, the operationalization of the theory has not been clear. Korpi (1989) uses measures of state centralization, taxing power and bureaucratization in his cross-national test, but the results are, as he admits, inconclusive. Amenta and Carruthers (1988) find a high degree of explanatory
I have also been uneasy about specifying interaction effects between the variables considered in the model as it stands. The significance of the coefficients produced in examining interactions between the New Deal component, unionization, and Democratic control was clearly affected by interdependencies between the "main" and "interaction" effects involved. Although it has been suggested that "centering" the data by subtracting variable means can help reduce multicollinearity in such contexts, Belsley (1984) has shown that this reduction is more apparent than real because such a transformation can result in misleading power in a variable measuring the existence, prior to the New Deal, of a capacituous bureau administering workmens' compensation. I am a little skeptical about this result, because the variable is a dummy variable, and the criteria which led to coding particular State bureaus one way or the other are not made clear. Amenta (1991) is an excellent discussion of the issues involved. In the absence of good historical State by State data on the relative wages of government officials and State employment more generally, quantitative assessment becomes even more difficult. The data before the 1940s are rather patchy (U.S. Department of Labor (Bureau of Labor Statistics) 1940-, 1945, 1946, 1965), and their aggregate nature does not allow us to make critical distinctions between Skocpolian bureaucrats and patronage appointees. In the aggregate, for example, the gap between average governmental and average manufacturing wages, and the ratio of state employees to manufacturing employees was highest in the South in the immediate post-war period, so these variables would clearly not be of much use in statistically evaluating the work of the "state capacity" researchers. Except for a period of discontinuity in the depression, State government financial data is more detailed and illuminating (U.S. Department of Commerce (Bureau of the Census) v.d. b). In my preliminary analyses, however, I could not find significant effects of taxes on benefits which were not strongly collinear with wage variables. The fiscal capacity of States is, however, a factor which is not unique to the "statist" school, as I noted in discussing modernization-based approaches in Chapter I. Moreover, noting that the fiscal capacity of states is related to their distributional activities begs the question as to whether progressive, or even "capacitous" tax structures can be understood independently of State party systems and political coalitions (Fry and Winters 1970).
collinearity diagnostics. I have considered only one interaction effect, that between the New Deal surge component and the South, in order to see if the temporal pattern of Democratic party power the component summarizes has effects which transcend the most important broad regional division in the American welfare state literature.

One of the assumptions of the classical regression model is that the variance of the errors should be constant, or homoskedastic, in repeated samples. In non-experimental research, of course, we cannot know whether this assumption has been met by estimating the variances of the individual error terms. The consequences can be serious, because heteroskedastic errors lead to consistent but inefficient parameter estimates and inconsistent covariance matrix estimates. As a result of the latter inconsistency, hypothesis tests, including tests of the significance of regression coefficients, will be faulty in the presence of heteroskedasticity.

The problem of heteroskedasticity is often particularly important in cross-sectional tests, where data has been aggregated and measured at the level of geographical units of widely varying size and characteristics. The American States

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42 The work on expanded regressions, a generalized method for using model specifications similar to interaction effects to study the impacts of contextual variation on social science processes (Casetti 1972; Casetti and Jones 1987), has generally involved expanding the parameters of a very limited number of independent variables (Casetti 1986; 1991). Where feasible, Casetti has suggested the use of mixed estimation, or the introduction of prior information about the parameters, as a tool in guarding against collinearity in this context (Casetti 1989).
are excellent examples of such units, and it is not surprising that much ingenuity has been exercised in trying to cope with its effects in this context (Stimson 1985; Jones 1987). The presence of heteroskedasticity suggests that the "unexplained" residual component of the variation in the dependent variable is drawn from a different distribution for each unit of the cross-section (Kennedy 1987: 93). This statistical problem is thus, in part, related to more general problems of context in social science research.

There is a reasonable probability, then, that the regressions presented here will be contaminated by some degree of heteroskedasticity, as they are based on aggregate State-level data. There are essentially two sets of tests for heteroskedasticity in the literature, both of the based on the relationships between one or more independent variables thought to account for the heteroskedasticity and the residuals from the possibly invalid least squares regression. One group of tests is useful where a firm hypothesis is available regarding the origins of the non-constancy in the error variance. Some tests in this group require the specification of the suspected functional form of the relationship between the residual variance and the variable(s) causing the problem. In some econometric situations, such hypotheses are not hard to develop.

In many circumstances, including most aggregate social science analyses, researchers do not have this knowledge. A second group of tests allows for the detection of heteroskedasticity where neither the source of the heteroskedasticity,
nor the functional form of its relationship with the residuals, is known or suspected. The Breusch-Pagan test (Breusch and Pagan 1979) is a very general test, covering many heteroskedastic situations (Johnston 1984: 300). It is calculated as half the regression sum of squares from a regression of the squared residuals, divided by their mean, on a constant plus the variables thought to account for the heteroskedasticity. The functional form of the relationship does not have to be specified, although there is obviously scope here for testing for the precise sources of heteroskedasticity involved. In many cases, all the independent variables from the original OLS regression are used in the test. The resulting statistic has an asymptotic Chi-square (\( \chi^2 \)) distribution, and this facilitates a simple test of significance of the null hypothesis that no heteroskedasticity is present.

The results of Monte Carlo studies suggest that the Breusch-Pagan test, while high in generality, is low in power. Specifically, its finite sample characteristics suggest that a given significance level tends to overstate the proportion of times the null hypothesis of no heteroskedasticity is incorrectly rejected in repeated samples (Judge et al 1984: 427). For this reason, the statistic should probably be evaluated at levels of significance larger than 0.05 or 0.01, to assess how close it approaches suggesting a problem. For this reason, results from the Breusch-Pagan tests carried out after the OLS runs of the present regressions are given here (in Table 4) with respect to 0.10 significance levels for \( \chi^2 \).
Further tests for heteroskedasticity in the residuals from the regressions were carried out in the framework suggested by White (1980). White developed a "direct" test for heteroskedasticity, which involves comparing the results from an OLS regression with those from a regression in which White's heteroskedasticity-consistent covariance matrix has been employed. Although the coefficient estimates will be the same, the presence of heteroskedasticity will cause the standard errors and t-statistics to diverge, and this divergence is therefore a strong indicator of problems. Because White constructed his estimator to be, by definition, resistant to heteroskedasticity, he argues that it is unnecessary to formulate perhaps misleadingly precise hypotheses as to its source and the functional relationships involved. Moreover, he argues that the estimator corrects for heteroskedastic errors where researchers are unable to precisely determine the source of the contamination. Correction for heteroskedasticity in other frameworks necessitates the use of some form of Generalized Least Squares estimation in which weights are introduced to compensate for the problem. The derivation of these weights can be trying unless, as in some econometric situations, the researcher has theoretical reasons for expecting heteroskedasticity of a particular form and source.

The White estimator and direct test, although now widely available in computer packages, was cumbersome to implement in 1980. White suggested a diagnostic, which should indicate the presence of most forms of heteroskedasticity, as a surrogate for the more costly procedure. His test, commonly referred to as the
White test (Kennedy 1987: 108), involves regressing the squared residuals from an OLS regression on a constant, the original independent variables, their squares and cross-products. The $R^2$ from this latter regression is multiplied by $n$, the sample size, to yield a test statistic which is asymptotically distributed as Chi-square. The degrees of freedom are given by the number of independent variables used in deriving the $R^2$. This test was carried out after each OLS regression here, and the results are also given in Table 4.

**TABLE 4: Results of Heteroskedasticity Diagnostics**

<table>
<thead>
<tr>
<th></th>
<th>1939</th>
<th>1953</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Test Statistic</strong></td>
<td>$\chi^2$ (0.1 level)</td>
<td>$\chi^2$ (0.1 level)</td>
<td>$\chi^2$ (0.1 level)</td>
</tr>
<tr>
<td>Breusch-Pagan Test</td>
<td>4.166</td>
<td>9.236</td>
<td>2.305</td>
</tr>
</tbody>
</table>

The results of the tests do not appear to indicate any problems of heteroskedasticity. The Breusch-Pagan statistics and White statistics obtained are all well below the critical $\chi^2$ values, even at the 0.10 level. The OLS estimates of the model in Table 5 are followed by estimates using the White heteroskedasticity-consistent estimator in Table 6, and it can be seen that there are few consequential differences in the significance of the parameters obtained. This would seem to
reinforce the conclusion from the diagnostics that the residuals in the model are indeed, fairly homoskedastic.

I now turn to the substantive results of the regressions. From the point of view of the hypothesis advanced here, the most important result is the clear significance of the New Deal surge component in all three periods. It does seem as though a temporal pattern of exclusion of the Democratic party from State legislative power in the early 20th century, followed by a sustained New Deal surge in influence, has been associated with enhanced provision for unemployment. The coefficient on wages is the most important in all three periods, supporting the arguments of those who find wages to be the primary issue in understanding the growth and unevenness of U.S. welfare state provision. Nevertheless, once this has been accounted for, the New Deal surge still stands out as a strong political influence on levels of generosity. If the expansion of the Fenton hypothesis suggested in Chapter III is correct, then parties which experienced this pattern of exclusion and sustained rejuvenation should be those which were most transformed in a social democratic, issue-oriented direction in the 1930s and 1940s, and those most strongly linked with union infrastructures and working class electorates.

After the late 1930s, the addition of an interaction term between the New Deal surge component and the South\(^{43}\) made no significant improvement to the

\(^{43}\) Considered for present purposes as the States of the former Confederacy, and those "border states" immediately contiguous with them.
Table 5: O.L.S. Regression Results

<table>
<thead>
<tr>
<th></th>
<th>1939-40</th>
<th>1953-4</th>
<th>1975-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Covered Wage</td>
<td>0.250</td>
<td>0.453</td>
<td>0.630</td>
</tr>
<tr>
<td></td>
<td>[0.058]</td>
<td>[0.053]</td>
<td>[0.060]</td>
</tr>
<tr>
<td>Union Density</td>
<td>0.456 **</td>
<td>0.409 **</td>
<td>-0.002</td>
</tr>
<tr>
<td></td>
<td>[0.187]</td>
<td>[0.171]</td>
<td>[0.142]</td>
</tr>
<tr>
<td>Democratic Control of State Government</td>
<td>0.200</td>
<td>0.573</td>
<td>-2.000 *</td>
</tr>
<tr>
<td></td>
<td>[0.103]</td>
<td>[1.194]</td>
<td>[1.081]</td>
</tr>
<tr>
<td>Persistent New Deal Surge</td>
<td>11.930 **</td>
<td>16.265 ***</td>
<td>8.927 **</td>
</tr>
<tr>
<td></td>
<td>[5.163]</td>
<td>[4.922]</td>
<td>[4.347]</td>
</tr>
<tr>
<td>Persisting Competition</td>
<td>4.529</td>
<td>6.648</td>
<td>-6.222</td>
</tr>
<tr>
<td></td>
<td>[5.536]</td>
<td>[5.093]</td>
<td>[5.382]</td>
</tr>
<tr>
<td>New Deal Surge * South (Interaction Term)</td>
<td>-30.436 ***</td>
<td>-0.228</td>
<td></td>
</tr>
<tr>
<td></td>
<td>[10.160]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-squared</td>
<td>0.753</td>
<td>0.801</td>
<td>0.657</td>
</tr>
<tr>
<td>Adj. R-squared</td>
<td>0.722</td>
<td>0.769</td>
<td>0.613</td>
</tr>
<tr>
<td>Standard Error of Regression</td>
<td>7.8126</td>
<td>7.1184</td>
<td>6.7007</td>
</tr>
</tbody>
</table>

Key

*** = Significant at .01 level or less
** = Significant at .05 level
* = Significant at .10 level

Coefficient

Standardized Coefficient
[Standard Error]
Table 6: Regression Results with Heteroskedasticity-Consistent Estimator

<table>
<thead>
<tr>
<th></th>
<th>1939-40</th>
<th>1953-4</th>
<th>1975-6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Covered Wage</strong></td>
<td>0.250 ***</td>
<td>0.232 ***</td>
<td>0.242 ***</td>
</tr>
<tr>
<td></td>
<td>[0.060]</td>
<td>[0.056]</td>
<td>[0.052]</td>
</tr>
<tr>
<td><strong>Union Density</strong></td>
<td>0.456 ***</td>
<td>0.409 ***</td>
<td>-0.002</td>
</tr>
<tr>
<td></td>
<td>[0.162]</td>
<td>[0.146]</td>
<td>[0.112]</td>
</tr>
<tr>
<td><strong>Democratic Control of</strong></td>
<td>0.200</td>
<td>0.573</td>
<td>-2.000 ***</td>
</tr>
<tr>
<td><strong>State Government</strong></td>
<td>[0.992]</td>
<td>[0.835]</td>
<td>[0.754]</td>
</tr>
<tr>
<td><strong>Persistent New Deal Surge</strong></td>
<td>11.930 **</td>
<td>16.265 ***</td>
<td>8.927 **</td>
</tr>
<tr>
<td></td>
<td>[5.543]</td>
<td>[4.892]</td>
<td>[4.394]</td>
</tr>
<tr>
<td><strong>Persisting Competition</strong></td>
<td>4.529</td>
<td>6.648</td>
<td>-6.222</td>
</tr>
<tr>
<td></td>
<td>[5.362]</td>
<td>[4.687]</td>
<td>[4.144]</td>
</tr>
<tr>
<td><strong>New Deal Surge * South</strong></td>
<td>-30.436 ***</td>
<td>-0.228</td>
<td></td>
</tr>
<tr>
<td>(Interaction Term)</td>
<td></td>
<td></td>
<td>[10.360]</td>
</tr>
<tr>
<td><strong>R-squared</strong></td>
<td>0.753</td>
<td>0.801</td>
<td>0.657</td>
</tr>
<tr>
<td><strong>Adj. R-squared</strong></td>
<td>0.722</td>
<td>0.769</td>
<td>0.613</td>
</tr>
<tr>
<td><strong>Standard Error of Regression</strong></td>
<td>7.8126</td>
<td>7.1184</td>
<td>6.7007</td>
</tr>
</tbody>
</table>

**Key**

*** = Significant at .01 level or less
**  = Significant at .05 level

**Coefficient**

*Standardized Coefficient*

[Standard Error]
model, and the results have not been reported here. Therefore, the effects of some degree of Democratic consolidation during the 1930s appear to have become quite general in the post-war period, once the effects of overall Democratic control have been controlled for.

The effects of the degree of probable social democratic transformation evidently made themselves felt irrespective of the overall partisan control of State government as reflected in legislative majorities and gubernatorial incumbency. The problems of using partisan control of government in the U.S. context as an indicator of the likelihood of welfare state development are well brought out by the mercurial behavior of this coefficient over time. Although it fails to attain significance at the 0.05 level in any of the periods, it moves from a positive value in 1939 (when the effects of the South on the New Deal component are included in the model), to a nearly significant, strongly negative one in 1953, to a positive one again in the 1970s, in this latter case irrespective of the South’s impact on the character of the party. The results indicate that the probable character of the party is a more important variable than its ability to dominate the branches of State government.

44 Given that the data used here are not a random sample, as Korpi notes (1989), significance tests can really only be used heuristically, and not as strict statistical criteria. Nevertheless, I do not want to lay much stress on the signs of non-significant variables, unless they approach the verge of significance, as does the coefficient on Democratic control in 1950.
The major alternative to partisan control as a relevant party-related variable in welfare state studies of the U.S. States has been party competition, as I have stressed in previous chapters. In Chapter III, I argued that competition per se is less important than the path by which a competitive situation is arrived at. States commonly labelled "competitive" in the political science literature of the 1960s and 1970s were seen to load high on the third component in that chapter's analysis. I suggested that in these States competition followed a pattern established before the New Deal, in which the Democrats gained legislative power as a consequence of events largely irreducible to the character of the State parties themselves. This suggested that the Democratic parties in these States had not undergone a social democratic transformation in the 1930s, and that we should not expect them to be associated with a high degree of welfare state development thereafter.

On the whole, the results here support these hypotheses. The persistent competition component is only a significant factor in determining unemployment benefits in the 1970s. How do we interpret the competitive component's significance in the 1970s? We know from the figures and the principal components analysis presented in Chapter III that there was a secondary surge in Democratic legislative power in the late 1960s and early 1970s, particularly in northern States which had not experienced strong effects of the New Deal realignment in their legislatures. It is possible that this later shift, coupled with the economic dislocations of the 1970s, resulted in a more across-the-board willingness to
increase unemployment benefits. Although only significant at the 0.10 level, the switch of the coefficient on Democratic governmental control from negative to positive in this regression might also suggest such a turn of events.

It is also possible that the loss of the explanatory distinction between the two components is due to an erosion of the patterns of organization and support enjoyed by the more social democratic parties in States loading high on the New Deal surge component. Piven (1991) notes an increasing homogeneity of party base and ideology by the 1970s which she links to the declining significance of union infrastructures. The assertion of national party power through the rules changes of the early 1970s, and the de-emphasis on local forms of organization which has resulted (Crotty 1978; Epstein 1986), may also have begun to erase the earlier clear difference in explanatory power between States whose parties have experienced different rhythms of power-holding.

Finally, the result provides some basis for arguing that the political science theory linking party competition to welfare outputs may have had some validity at the time it was most widely discussed in the late 1960s and 1970s. This validity looks as though it is temporally local, however, and I doubt whether party competition is generally as important as party orientation, infrastructure or base in determining the degree to which states intervene in labor markets.

I turn now to the problematic question of the role of labor unions in welfare state development. The regression results indicate that union densities only made
a significant contribution to levels of State unemployment benefits at the outset of
the program in the late 1930s. Again, I would not like to give too much
significance to these results given the sub-optimal quantitative information we have
on unions at the State level. We cannot make clear inferences as to the
infrastructural role of unions with respect to State Democratic parties on the basis
of union density data. Nevertheless, the collapse of the aggregate union effect in
the model in the post-war period deserves some discussion.

The significant contribution of union density to explaining State variations
in benefits in the 1930s suggests that at this time something like the social
democratic model employed in cross-national research may have been valid for
States where the Democrats made strong recoveries from previous periods of
exclusion. Union strength does seem to have paralleled social democratic
tendencies in the party system in generating higher levels of benefits. Because the
model is additive, it also indicates that the effects of unions in the 1930s were not
confined to states with transforming Democratic parties. We cannot tell, on the
basis of regression results, whether the mechanism relating unions and
unemployment benefits was union pressure on policymakers (the criterion of
Skocpol in Skocpol 1993), or the fear of State elites of union growth and activity
in the Depression years (the criterion of Jenkins and Brents 1989). More contextual
studies could well reveal the operation of varying combinations of both these
mechanisms in different State polities at this time.
We know that during the period between the late 1930s and the early 1950s, several processes relevant to the disappearance of this union effect were underway. Conditions of high employment during the Second World War did not merely lead to pressure on State governments from business organizations at the State level to reduce unemployment insurance taxes, which reduced legislative scope in increasing benefits (Harpham 1987). They also led to unemployment becoming a less salient issue for workers (Amenta and Skocpol 1988).

Secondly, by the time unemployment again became a major concern for American workers and their unions in the post-war period, the process whereby unions diverted their welfarist energy from government to the private corporation, were well underway. Although unions, particularly CIO unions, were the objects of sustained attack in these years which may have helped lessen their ability to lobby for state benefits, it is probable that the diversion of attention to the private sector at this time is the most important part of the story (Stevens 1988).

Although private, or supplementary, unemployment benefit schemes have received some attention (Becker 1967), quantitative information on the proportions of benefits in each state derived from private sources are unavailable. Moreover, if the hypotheses regarding the importance of union infrastructures for Democratic parties loading high on the New Deal surge component are on the mark, we would expect this refocus on corporate benefits to have been most pronounced in States which are likely to have lacked this type of party organization. The Pearson
Correlation coefficients in Table 7 show the relationship between unions and the ratio of total private transfers to total public transfers for all States, and for all those not in the top tertile of the New Deal surge component, for 1940, 1950 and 1970. The data on transfers are taken from U.S. Department of Commerce (Bureau of Economic Analysis) (1984). There is a positive relationship in each case, but this is most pronounced in 1950\textsuperscript{45}.

**TABLE 7: Correlations Between Union Density and Private to Public Transfer Ratio, Selected Years.**

<table>
<thead>
<tr>
<th></th>
<th>1940</th>
<th>1950</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>All States</td>
<td>.382</td>
<td>.524</td>
<td>.259</td>
</tr>
<tr>
<td>Non New-Deal Surge States</td>
<td>.443</td>
<td>.739</td>
<td>.402</td>
</tr>
</tbody>
</table>

Although the table appears to indicate a surge in the relationship between unions and private welfare benefits around 1950, we need to be cautious in relying on such figures as proof that the Stevens arguments account for the disappearing union effect on State unemployment benefits in this period. The data are, after all, for all private transfers, and not just for supplementary unemployment benefit schemes.

\textsuperscript{45} Delaware was a striking outlier in graphs examined for 1950 and 1970, probably because of the importance in that State of one or two very large corporate entities, such as DuPont. It has been excluded from the calculation of the correlation coefficients.
A large and increasing proportion of such transfers have been accounted for by pension schemes, for example. Moreover, the correlations become weaker in 1970, which probably reflects the growth of private welfare benefit packages for non-union workers.

Finally, I noted earlier that private and public transfers are only two of three channels through which labor unions could affect welfare state benefits. The other channel is through the wage determination process, the results of which are extremely important in setting benefit levels, as can be seen from the coefficients on wages in the regression results. It would be interesting to employ some form of simultaneous equation technique, such as path analysis, to assess the relative importance of unions in influencing benefits directly and indirectly. The incorporation of a wage determination mechanism into a welfare state model is beyond the scope of this dissertation.

Conclusions

In this Chapter, I have carried out some simple tests of the relevance of the discussion of State Democratic party differentiation in Chapter III to the development of welfare provision at the State level. In Chapter III it was argued that those State parties which had experienced a protracted exclusion from policy-making in the early 1900s, followed by a sustained surge in legislative power during the 1930s and 1940s were most likely to have been transformed in a
direction similar to social democratic parties elsewhere. I discussed the important differences involved in studying labor union-party relationships in the United States and countries with branch party organizations. I also noted the difficulties in studying the role of union-party relationships in the U.S. context where the importance of unions, vis-a-vis other forms of party infrastructure, has varied widely from State to State, and cannot be deduced from membership figures alone.

The results of regression analyses for years in which suitable union density figures are available suggest that the differences in the paths by which State Democratic parties have attained or lost legislative power in the 20th century are indeed relevant to explaining welfare generosity in the States. Specifically, the pattern of exclusion followed by a sustained New Deal surge is a significant factor in the determination of patterns of unemployment benefit generosity, even when wage levels are controlled for. Bearing in mind the limitations of the available State-level data on unions for testing their role in the social democratic model, I suggested that further exploration of the changing orientation of unions towards private-sector benefit provision may be part of the explanation for why unions cease to be significant determinants of unemployment benefit levels after World War II.

In the 1930s, the social democratic model in its most familiar form, with unions and social democratic parties contributing to the explanation of welfare state development, seems to be helpful in the U.S. case. Thereafter, the effects of unions
are harder to determine. The results suggest that the further application of a generalized social democratic model to the U.S. States would be a fruitful exercise, so long as research effort is brought to bear on the contextual differentiation of the orientation and base of State parties.
CHAPTER V

CONCLUSIONS

This dissertation has been an attempt to apply a general theory of welfare state development to the case of the United States. In relating transformations in the Democratic party to welfare state provision, I have been reacting against recent tendencies to, as I see it, over-contextualize the explanation of the U.S. case. Attempts to develop case-based explanations of the U.S. welfare state have arisen primarily because it is felt that the American case is resistant to models developed in other contexts. This background assumption has been reinforced by a long tradition of regarding the development of the American polity as an "exceptional" process.

The social democratic model developed as a general model of the processes by which economic and social developments were mediated through the political system to create pressures towards welfare state building. Because it has been assumed that the Democratic party cannot be seen as a social democratic party in the European sense, researchers have been drawn to other features of the U.S.
polity in order to account for the welfare state developments which have occurred in this context.

I think that the social democratic model, expressed in its most general form as a theory about the process of working class mobilization through particular political and economic organizations, can be of some use in thinking about American political development. I have focused on the patterns over time in data on State Democratic parties’ ability to gain and retain legislative power, on the premise that these patterns tell us something about the probability that the parties were transformed into organizations fulfilling important requirements of the social democratic model. In those States where, after a prolonged exclusion from power during the system of 1896, State Democratic parties experienced a sustained resurgence in the 1930s and 1940s, we should expect a social democratic transformation to have occurred. If this was the case, then we expect that the party had an effect on the character of welfare provision in these contexts.

I wish to underline some of the limitations of this study, before moving on to broader matters in conclusion. The test employed in Chapter IV is not, of course, comprehensive, involving as it does the examination of one aspect (benefits) of one particular State welfare program. The variety of programs at the State (and local) levels in the U.S. which have developed, particularly since the 1960s War on Poverty, offer many possibilities for more comprehensive analysis and discussion. It is in many ways unfortunate that research on the American
welfare state has become focused on one program, Aid to Families with Dependent Children, which has become synonymous with "welfare" for many Americans. This has occurred, at least in part, because of the real and perceived racial implications of this program, which have led to its becoming a focus of sustained political attention. Whether or not the conclusions of its neo-conservative critics are on the mark (Murray 1984; Mead 1985), the attention their arguments have received has led to a preoccupation on the part of other researchers with rebuttal. This has reinforced the more general identification of the American welfare state with the AFDC program. I do not want to similarly restrict discussion to the unemployment insurance program, although I have noted why I consider it a test case for the social democratic model at the State level. Tests of similarly-operationalized models using other dependent variables would be useful in assessing the limitations of the results presented here.

A further limitation of this study is the inferential, or probabilistic, basis of several of the conclusions derived. In Chapter III certain patterns of Democratic power-holding over time were hypothesized to be associated with particular patterns of policy-making and party support. The empirical analysis in this dissertation cannot, ultimately, resolve this hypothetical status, although evidence from several of the States concerned would appear to support the main line of argument. To more conclusively explore the hypotheses advanced here, a more intensive approach would be required, which would probably require the efforts of more than...
one researcher. Such an approach would involve complementing cross-state quantitative analysis with case studies of clusters of States (particularly those where Democratic parties are likely to have undergone decisive mid-20th century transformations) and, possibly, the exploration of recently developed techniques for manipulating qualitative information for a large number of cases (Ragin 1987).

The analysis of Chapter III, moreover, does not suggest that the processes of party transformation suggested by the social democratic model have occurred in all 48 continental States. Far from it — three further distinctive patterns of Democratic party power-holding over the 20th century were identified and discussed in that context. It would be important to identify the points at which liberal factions in these other States met defeat within their parties, or to explain the non-existence of such groupings, in relation to a broader theory of party change than has been the case hitherto. In particular, given the difficulty of incorporating labor unions adequately into the aggregate statistical level of analysis, such case-oriented studies — carried out in relation to a more general theory — should help flesh out our understanding of American State party infrastructures, and develop the ideas about caucus parties outlined in Chapter IV in more detail.

Still, given that the main thrust of Chapter III is that only parties in certain States have experienced social democratic transformations, the implications for exceptionalist arguments regarding the U.S. need to be briefly considered. The
analysis in this dissertation suggests that the relevant distinction for understanding the development of the welfare state should not be made between the U.S. and other polities, but between some U.S. States and other polities. The argument that some State polities may have experienced similar pressures as some European polities, from the development of labor unions at the State level for example, is not new (e.g. Orloff and Skocpol 1984). It has not been explored in a satisfactory manner, that is, in relation to a theory of sufficient generality. The question of how to approach the other State polities is a more difficult one. Despite the immense amount of detailed work on southern politics, for example, there has been surprisingly little work comparing the southern States to polities elsewhere. Even the determination of relevant comparisons is a little difficult, although statements about the peculiarities of southern politics seem to usually imply a comparison, through their northern counterparts, with Western Europe. Central and South American polities may, however, be far more relevant points of comparison for many of these peripheral States. Because the American exceptionalist arguments which have preoccupied researchers largely refer to contrasts with Europe, it may be that they not only hinder our understanding of processes in the North, and at the Federal level (Amenta 1991), but distract attention from comparisons more relevant to understanding state-building phenomena in other parts of the country.

This last point, clearly, is in part a question of geography. It might be thought that in adapting a generalizing model of welfare state development to the
American States, I have been underemphasizing the importance of geographical context in favor of a broad social science theory. Many geographers have been criticizing the use of such general models, particularly those involving the relationships between class structure and politics, as "foundationalist" in recent years. Working with generalizing models has been seen as privileging certain aspects of social structure as more basic than others and reinforcing the dominance of "modernist" models of social life, such as those of Marx and Parsons.

I find the postmodernist criticisms of social geography interesting, but I think they neglect the almost structural role of geography among the other social sciences in straddling the relationship between theories of general structures and processes and geographical, or local, contexts.

In many situations, the most important role geographers can play in an interdisciplinary research context is to show how variations in context affect the operation of broadly accepted general models (Casetti and Jones 1987). In others, however, we encounter a general model which has already been undermined by contextual considerations, such as the social democratic model. Here, geographers can examine the particular contextual claims made, and assess whether a change in focus would help in achieving a more balanced picture. In the case of the model examined here, the basic contextual argument that the U.S. has lacked a social democratic party has been adapted from exceptionalist arguments designed to explain the absence of socialism in the United States. The implied geography is
somewhat extreme: processes widely in operation in other market societies are said to be not really relevant to explaining the American welfare state. I have argued that a more appropriate way of handling issues of America context in the study of the welfare state is to try and determine which State contexts make sense as points of comparison with Europe and which do not. None of this should be taken to suggest that there are no contextual differences between the operation of the social democratic model in Michigan and Norway. I have discussed some relevant contextual differences between State parties and European social democratic parties in terms of party origins in Chapter III, and party organization in Chapter IV. However, these are contextual differences in the way the processes hypothesized by the model are realized in different circumstances, not contextual circumstances which suggest the model has not operated at all in the U.S.

In short, I do not consider the role of the geographer to always be one of producing ever more finely detailed contextual accounts of social phenomena. Non-geographers have recently stressed the importance of geography in understanding issues related to political development, American and otherwise (Bensel 1984, 1990; Tilly 1984). I think it important that geographers do not respond by rejecting general theories developed elsewhere on a priori theoretical grounds.

In terms of the political development literature, I do not want to conclude by asserting that the processes outlined in this dissertation give us a complete picture of the "real" forces behind welfare state development in the U.S. than the
alternatives suggested in Chapter I. One difficulty with some of the recent literature on American political development is that often heated debates have developed in which it is implied that the very survival of one or other theory involved is at stake. It is unlikely, however, that any of them have no determinate role to play in building an accurate explanation.

Although, for example, I have argued that the state-capacity theories which dominated the literature of the 1980s have been over-played by their proponents, I do not think that it is useful to write off bureaucracy as an important dimension of welfare state building in the U.S. context. Rather, so long as the role of bureaucrats, bureaucratic organizations and intellectuals can be clarified in relation to other "societal" influences on the welfare state, there is tremendous scope for examining the uneven process of bureaucratization at the regional level in the 20th century U.S.: we have very little recent research on this subject (Shefter 1983). I emphasized that State governments were deliberately prevented by the Federal courts from developing strong economic and social policies in the late 19th and early 20th centuries in Chapter II. This was surely a strong precondition for the weakness of American State bureaucracies in the mid-20th century, and needs to be explained, as I suggested, with reference to quite broad changes in the American political landscape.

I conclude with a mea culpa. Despite Esping-Andersen’s (1990) recent discussion of a specifically "conservative" welfare state regime, the literature on
welfare states in relation to political parties is very much anchored around parties of the left. There are clearly strong reasons why this should be so, and this dissertation has been no exception in this regard. The strength and orientation of right and center-right parties has, however, been shown to be an important influence in cross-national studies of welfare state outputs (Borg and Castles 1981). In the context of the American States, although I have argued that the character of State Democratic parties has been an important part of the welfare state building process, we also know that Republican parties have held majorities in State legislatures more often than not (outside the South) until quite recently.

In part, this has encouraged explanations of State level welfare outputs in terms of party competition, rather than in terms of party orientation and base. I discussed these explanations in relation to the present study in Chapters III and IV. Nevertheless, it seems inconceivable that State Republican parties have not also exhibited important and relevant State-by-State variations in terms of coalitions and policies. Given the example of Rockefeller's New York, and of post-war progressive Republicanism in Wisconsin, these parties would seem to merit much more attention than they have received in the political development literature.

The post-war Republican party has been less well served than its Democratic counterpart in broader respects. While the pioneering role of Republicans in the development of an administrative state at the Federal level has been well-documented by Skowronek and others (Skowronek 1981; Keller 1977;
Skocpol and Ikenberry 1983), we do not as yet have good theoretical accounts of phenomena such as the Nixon Administration's attempt to create a guaranteed income which, had it succeeded, would certainly have rivalled many of the New Deal and Great Society programs in terms of welfare state expansion (Moynihan 1973).

Although this dissertation provides little direct insight into the role of the Republicans in American welfare state formation, however, I would hazard that any attempt to improve this situation would have to be alert to similar issues of party differentiation and context as have been encountered here. Moreover, such research would only reinforce the fact that political parties, their organization, mobilization and transformations are a critical part of the explanation of the development and expansion of the American welfare state.
# Appendix A

## Principal Component Scores, by Year

Table 8: Component Scores

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<th>Component #3</th>
<th>Component #4</th>
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APPENDIX B

PRINCIPAL COMPONENT LOADINGS FROM REGRESSION ANALYSIS

Table 9: Component Loadings

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