CREATING A CAPITAL INVESTMENT WELFARE STATE: THE NEW AMERICAN EXCEPTIONALISM*

1998 Presidential Address

Jill Quadagno
Florida State University

In the past few decades forces such as globalization and international competition, rising public budgets, and aging populations have caused many nations to reexamine the social programs they established at least a half century ago. Some nations have cut spending; others have reorganized priorities to provide support for dual-earner families, single mothers, or elderly people who need long-term care. The United States appears instead to be in transition from a social insurance welfare state to a "capital investment welfare state" in which the objective is to increase savings and investment. This shift in U.S. public policy is most explicit in the ascendance of a neoconservative ideology, which depicts the welfare state as an impediment to a free market. This ideology has lent credence to proposals for privatizing Social Security and is implicit in seemingly minor technocratic changes in Medicare, which nonetheless have inserted market principles into a social insurance program. Whether current trends represent the most recent manifestation of American exceptionalism or a concurrent restructuring across nations can be determined only by comparative research examining (1) how different nations are responding to contemporary fiscal pressures, and (2) if nations are redistributing the social welfare burden from the public to the private sector.

According to one side of a long-contested theoretical debate, the United States has a distinctive political culture that differentiates it from other Western, capitalist democracies. Grounded in a firm opposition to all forms of government intervention, this classical liberal tradition honors private property, distrusts state authority, and holds individual rights sacred (Lipset 1996). This notion of American exceptionalism was first applied by socialist theorists at the turn of the century, initially to explain the weakness of working-class radicalism, then later to explain why the United States was the only in-

* Direct correspondence to Jill Quadagno, Pepper Institute on Aging and Public Policy, Florida State University, Tallahassee, FL 32306 (jquadagn @coss.fsu.edu). I thank Robert Alford, Jill Bernstein, Pamela Larson, and John Myles for helpful comments on an early draft of this manuscript.

dustrialized country that lacked a socialist movement or a labor party. As the welfare state became the primary site of the civil functions of government, discussions of American exceptionalism focused on new questions: Why, compared to other Western capitalist democracies, was the United States slow to develop national social benefits; why did it fail to offer programs provided elsewhere, such as national health insurance; why were U.S. benefits less generous than those in other Western countries?

In the past few decades, welfare states have experienced increasing fiscal constraints associated with globalization and international competition, rising public budgets, and aging populations. These trends have caused governments to seek ways to divest themselves of fiscal responsibilities, even as changes in the labor market, in the family, and in demographic structures have created new needs for social protection over the life course (Esping-Anderson 1999; Shalev 1996). Political theorists are now debating how the forces that contributed to the exceptionalism of the American welfare state are likely to influence public policy directions in the twenty-first century.

THE CONTEXT OF WELFARE STATE FORMATION

Since the New Deal, when the first permanent federal social programs were created, significant changes have taken place in the nation's social, political, and economic arrangements. In the labor force, sectoral dominance has shifted from the manufacturing sector to the service sector. In the 1930s, 32.5 percent of the labor force worked in manufacturing industries, and only 59.4 percent in service-producing industries. By 1990 only 17.4 percent of workers were employed in manufacturing, while 77.3 percent were in services (Goldin forthcoming).

One major consequence of this sectoral shift in employment has been a decline in trade union membership, down to only 16.2 percent of the workforce in 1996 (U.S. Bureau of the Census 1997). The heavy manufacturing industries were the site of trade union mobilization in the 1930s. Subsequently, unions became an important force in expanding private sector benefits, in negotiating agreements such as seniority provisions that enhanced job security over the life course, and in supporting the expansion of public social benefits. The recent decline in unionization has reduced the ability of workers to negotiate working conditions and benefits and has made them more vulnerable to market forces. For example, between 1988 and 1996 the percentage of large and medium-size firms that provided fully-financed health insurance to their employees declined from 56 to 37 percent (Martin 1998). The percentage of male workers covered by a pension plan also has declined (Bloom and Freeman 1994).

The family is another social institution that has experienced significant change. In the 1930s, most households had a male breadwinner who was the sole wage-earner. At that time, only 22 percent of women were in the labor force, and rarely did mothers work at all. By 1996 nearly 60 percent of women were participating in the labor force, including over 70 percent of women in their childbearing years and 60.5 percent of single mothers (U.S. Bureau of the Census 1997). This increase in the numbers of dual-earner and single-parent households has increased the need for benefits for working families (Esping-Anderson 1999; O'Connor, Orloff, and Shaver 1998).

Finally, the nation's demographic profile has shifted significantly as a result of an aging population. Between 1930 and 1996, the percentage of the population age 65 and older increased from 6.0 to 12.5 percent, and is predicted to increase to 20 percent by 2030. Life expectancy has increased most rapidly among the "old-old," people 85 and over, who have the greatest needs for health and long-term care benefits (Hobbs and Damon 1996).

Other countries have responded to these same trends by reorganizing their national priorities. Some have reduced social expenditures. Sweden, for example, recently cut benefits for unemployment and reduced its pension promises to retirees. Other countries have added new programs to meet new needs. Germany has added a national long-term care program, as has Austria (Smeeding 1998; Weaver 1998).

In the United States, the public policy agenda appears to be moving in confusing

directions. The Personal Responsibility and Work Opportunity Act of 1996 eliminated Aid to Families with Dependent Children, a program that consumed less than 1 percent of the federal budget, and transferred responsibility for poor women and their children to the states. Yet few changes have been made in the more costly entitlement programs—Social Security and Medicare.

Appearances can be deceiving, however, for a transition in the American welfare state is taking place—a shift toward what I call the "capital investment welfare state." This transition is visible, first, in efforts to restructure public benefits to coincide with trends in the private sector, second, in efforts to reduce collective responsibility for social welfare needs and increase individual responsibility, and third, in proposals to transform public welfare programs from cash benefits and direct services into incentives for personal saving and investing. These changes represent the onset of a third realignment of social welfare policy; the first two were the New Deal and the Great Society.

THE FORMATION OF THE AMERICAN WELFARE STATE

The New Deal

The American welfare state was created in two, widely separated, "big bangs" of reform (Weir, Orloff and Skocpol 1988). The first permanent federal programs of social provision were legislated during the New Deal, following the 1929 stock market crash and in the midst of a Great Depression. Then, unlike now, Americans had little trust in Wall Street and sought government protection from the forces of the free market. The New Deal broke with the anti-statist political culture and brought instead a social democratic tinge to the role of government for the first time in U.S. history (Hofstadter 1972).

At the heart of the New Deal was the Social Security Act of 1935, which created two programs of social insurance—Unemployment Insurance and Old Age Insurance (Social Security). These programs insured workers against loss of income from fluctuations in the business cycle or old age. The Social Security program included a guarantee that all workers who contributed would be eligible for benefits and that lower-income workers would receive a higher level of income replacement. Thus, along with the insurance function, Social Security incorporated a redistributory, anti-poverty function. The Social Security Act also included two means-tested programs available only to the poor—Old Age Assistance and Aid to Dependent Children—which left decisions about eligibility and benefit levels to the states.

Because the legislation could not win a majority in Congress without the support of southern Democrats, a compromise was reached: Southerners would support the Social Security Act as long as labor arrangements in the South were left undisturbed. The compromise meant that agricultural workers and domestic servants (three-fifths of all black workers in the South held such jobs) would be excluded from the social insurance programs. Instead these workers would be eligible only for the means-tested benefits. Thus, a two-tier benefit structure was inserted into the welfare state, which reinforced the racial divide in American society (Quadagno 1988).

The New Deal also included incentives in the tax code, termed "tax expenditures," that encouraged employers to provide pensions for their employees. Firms could set aside these "deferred wages" as a nontaxable business expense and recapture nearly half of their welfare costs in tax savings (Stevens 1988). By 1944, corporate income taxes represented 7.4 percent of the gross domestic product, making these tax benefits of considerable value to firms (U.S. Department of Commerce 1995). Private sector benefits expanded rapidly following a 1948 Supreme Court decision allowing pensions and health insurance to be included in collective bargaining agreements. As unionized workers sought and won guaranteed automatic cost-of-living increases in pensions, the right to retire early, and health insurance for retirees, firms agreed to pay these benefits because they could recapture a large share of their costs in tax savings. As a result, in the post-World War II era the United States, more than any other country, came to depend on tax expenditures to provide for welfare needs (Rein 1996; Wennemo 1998).

The Great Society

The Great Society of the 1960s produced the second "big bang" of welfare state reform. It began with President Lyndon Johnson's War on Poverty, which created new programs for community action, job training, and urban renewal. The Great Society presented an opportunity for the United States to complete the initiative launched during the New Deal. The program began just as other nations were adding the second tier of social benefits required for economies centered around the service sector and the rising labor force participation of women. Instead of expanding the welfare state, however, the Great Society became absorbed in the struggle for civil rights and equal opportunity; its task became that of undoing the racial legacy of the New Deal. The resulting white backlash fragmented public support for the new programs and for the Family Assistance Plan, a proposal that would have provided welfare recipients with federal support for child care and would have guaranteed a basic income to the working poor (Quadagno 1994).

The Great Society's only lasting legacy came in the expansion of entitlement programs. In 1965 Congress created Medicare and Medicaid, programs that provided health insurance for the elderly and the poor. Then between 1968 and 1972, a series of amendments to the Social Security Act raised benefits and indexed them to the cost-of living, so that inflation would not erode their value (Myles 1988).

The Capital Investment Welfare State

The United States is presently in the midst of a third transition, but it is unlikely to arrive as a "big bang." The reason has to do with the welfare state itself. Adding new programs is a fundamentally different task than is taking benefits away, and large social programs mobilize public support and create strong interest group constituencies.

Because any politician who openly proposes cuts in benefits risks alienating the public, more subtle tactics must be devised (Pierson 1994). One strategy adopted by politicians seeking to cut benefits is to alter public discourse by redefining the issues. A change in how issues are defined can dramatically alter policy outcomes by activating new groups to take an interest in the policy, by fragmenting the existing configuration of support, or by limiting the parameters of potential options for change. Framing the debate over Social Security in terms of saving our children's future is a less divisive message than cutting benefits to greedy senior citizens (Quadagno 1998). Struggles over social policy thus become struggles over information (Weir 1998). Another strategy politicians use is to obscure benefit cuts in technocratic details, or what has been called "policy by stealth" (Pierson 1994). Beneficiaries are more likely to object if politicians threaten to cut Medicare than if they suggest adding another bend point to the calculation of Social Security benefits. This increasingly technical nature of social programs means that major decisions may be virtually concealed from public view.

This third transition in the U.S. welfare state represents a shift from a welfare state based on the principles of social insurance to one with a different set of features (see Figure 1). The objective of social insurance is to insure those who contributed to the system against selected life course risks. The main beneficiaries are workers, benefits are based on work history, and the programs include an element of income redistribution. These features stand in sharp contrast to the emerging "capital investment welfare state," in which the objectives are to increase savings and investment, the primary beneficiaries are investors, levels of benefits are determined by an individual's investment portfolio, and benefits are skewed to favor those who are already prosperous.

REINVENTING THE WELFARE STATE

The transition in American public policy is most explicit in the ascendance of a neoconservative ideology, which depicts the welfare state as an impediment to a free market. This ideology has lent credence to proposals for privatizing Social Security and is implicit in seemingly minor technocratic changes in Medicare, which nonetheless have inserted market principles into a social insurance program.

Features	Social Insurance Welfare State	Capital Insurance Welfare State
Exemplars	Social Security, Medicare	Tax expenditures, Medical savings accounts, Personal security accounts
Objectives	Insuring workers and dependents against life course risks	Promoting savings and investment
Beneficiaries	Workers	Investors
Benefit criteria	Work history	Investment performance
Pattern of stratification	Benefits skewed toward less affluent; redistributory	Benefits skewed toward more affluent; non-redistributory

Figure 1. Two Models of Welfare State Structure

The Ideology of Public Policy

The current political culture surrounding the welfare state centers on the claim that social benefits are crippling rigidities that increase the costs of labor, undermine productivity, and drain public funds (Antonio and Bonnano 1996). This view represents a distinct shift from the earlier view that the welfare state consists of programs of social insurance organized around the principles of sharing the collective risks of market failure and promoting social solidarity. Over the past decade, social insurance programs increasingly have been portrayed as static and outmoded, and markets as modern and dynamic (Kuttner 1998).

I became aware of this shift in public discourse in 1994 when I served on the staff of the President's Bi-Partisan Commission on Entitlement and Tax Reform. The Commission's objective was to recommend a plan for reducing entitlement spending. The problem that generated the interest in entitlement reform was variously defined as one of the budget deficit (which then stood at $350 billion), as the national savings rate (which had declined significantly since the early 1980s and was lower than that of Germany, Japan, and Sweden), and as the aging of 75 million baby boomers (who would supposedly gobble up all federal revenues when they began retiring around 2010). Whether the problem was framed as the budget deficit, the savings rate, or the retirement of the baby boomers, the underlying theme was that programs of social provision were budgetary problems to be solved by budgetary mechanisms, and the relevant measures for judging their merit were fiscal responsibility and cost containment (Bipartisan Commission on Entitlement and Tax Reform 1995).

Although members of the Commission failed to agree on a grand plan, indeed, even on a single option, the Entitlement Commission did succeed in another way: It succinctly captured various views on the welfare state and wove them into a coherent message. As a result, the charts depicting the entitlement crisis, which were featured in every newspaper in the country that summer, have become the standard for framing the "problem." Social insurance beneficiaries have become unfunded liabilities; the grand distributional issues of the day have become budget dilemmas; the objective of social welfare expenditures has become to increase savings and investments (Quadagno 1998). The changing political culture thus has transformed the public debate about Social Security reform and what "social security" means.

Proposals for Social Security Reform

According to the most recent projections, Social Security faces a crisis in 2032. In that year the trust fund will be depleted, and incoming taxes will be sufficient to finance only 75 percent of the payments promised to beneficiaries. Although no changes have yet been made in the program, proposals to privatize Social Security have become a

common feature in the political landscape. Those recommended by the 1994 Advisory Council on Social Security provide three "ideal-typical" options for reconstructing the welfare state, which ranged from restoring long-range solvency to totally reconstructing the program toward private pension models (Koitz 1998b).

The Advisory Council, which usually meets in total obscurity, delayed making its report public for more than a year because, for the first time in its history, its members could not reach a consensus. Instead members split into three factions—each faction proposed its own options for bringing the trust fund into long-term actuarial balance. One faction proposed minor benefit cuts, an eventual increase in the payroll tax, and the investment of a portion of the Social Security trust fund in the stock market. A second faction proposed benefit cuts and a mandatory system of personal savings accounts that would be invested in financial markets. The third proposed eliminating the current system entirely and replacing it with a two-tier system. The first tier would consist of a low, flat benefit set below the current poverty level; the second tier would involve individual accounts financed by 5 percent of payroll taxes (Advisory Council on Social Security 1997). Thus, all three proposals would channel some money into financial markets. In the 105th Congress, 28 bills were introduced that followed one or another of these models (Koitz 1998b).

The idea of privatizing Social Security has become more credible in part because of ideological shifts in public discourse about social insurance but also because it coincides with trends in private pension plans. The first pensions negotiated by trade unions in the post-war era were mainly of a type called a "defined benefit" plan. Employers established tax-free pension funds and then paid benefits to retired workers according to their length of service and previous earnings. Beginning in the early 1970s, a series of changes in federal law reduced the incentives for employers offering defined benefit plans. The changes included increased government regulation of pension funds, new regulations concerning age discrimination in employment, and a decrease in corporate tax rates (to only 1.6 percent of gross domestic product by 1982) (Quadagno and Hardy 1996; U.S. Department of Commerce 1995).

Since the 1980s, a different type of pension option, called a "defined contribution" plan, has become predominant (Salisbury 1997). Defined contribution plans are not really pensions in the traditional sense; they are savings plans with certain tax advantages. No retirement benefit is guaranteed; rather retirement income depends entirely on how well the account has performed in the market over time. Between 1980 and 1993, the number of defined benefits plans offered by employers declined from 148 to 83 while the number of defined contribution plans increased from 340 to 618 (U.S. Bureau of the Census 1997).

Social Security operates like a defined benefit pension because benefit levels are determined by prior work history and prior wages. If workers were allowed to divert part of their payroll taxes to individual accounts, Social Security would operate more like a defined contribution plan. The recent shift in private sector benefits has made such an idea appear less extreme than it did in the past.

Shifting responsibility for income security in old age from Pennsylvania Avenue to Wall Street would have important political and economic ramifications. Politically, it would give future retirees a greater stake in mutual funds than in the welfare state. Economically, it would mean that future retirees would have a large share of their retirement income invested in the stock market. The most important effect, however, would be a change in the risk structure.

What would the new risks be? First, the most obvious risk is that of a prolonged downturn in the value of stocks, which could lower retirement benefits for an entire generation. Investment counselors are already debating whether the stock market will plummet when baby boomers begin selling their investments to pay for their retirement needs. Second, the market could rise or fall rapidly in a period of just a few years. Equal savers could end up with very different benefits depending on when they retired or on how well their investments performed. Third, people might be unprepared to meet various life crises. Workers who had saved for retirement might be forced to spend all their savings if faced with an event such as being "downsized" out of a job at age 50 (Ball 1998).

Transferring the responsibility for social welfare needs from the government to the individual has significant distributional implications. In an era when the stock market is soaring, some investors can, over time, accumulate a very large sum of money. In exchange for the opportunity to develop a small investment portfolio, however, low-income workers would lose all insurance against disability or death for themselves and their dependents as well as sacrificing the redistributory component of the current Social Security program. Further, unless the program was mandatory, low-income workers might choose not to invest. An analysis by the nonpartisan Congressional Research Service (Koitz 1998a) indicates that the costs of implementing the more radical privatization proposal would fall most heavily on low-income earners.

Changing Incentives in Medicare

Medicare, the federal health insurance program for every Social Security recipient age 65 or older, is the most rapidly expanding entitlement. In nearly every budget over the past decade, Congress has attempted to cut Medicare spending, mainly by reducing reimbursements to providers. The effect has been an implicit privatization, as benefits are playing a diminishing role in an expanding economy and social provision is shifting toward the private sector.

When Medicare was created, fee-for-service arrangements predominated in the private sector. People were free to choose their doctors, and doctors were free to set their fees—Medicare thus largely replicated the pattern of reimbursement that was common among private insurers. Over the past quarter century, however, the organization of health care in the private sector has experienced revolutionary changes. Fee-for-service arrangements have been supplanted by managed care, which is now the form of health insurance provided to more than 70 percent of people in the United States (Tallon 1998). Medicare, for the most part, has not kept pace with these changes: Only 14 percent of Medicare beneficiaries are currently enrolled in managed care (Binstock 1998).

In the Balanced Budget Act of 1997, Congress added some new options for Medicare beneficiaries. These "experiments," which were justified by their proponents as a way to increase freedom of choice for future Medicare beneficiaries, reflect the changing political culture of the welfare state. Their general effect is to make Medicare more similar to the private insurance market and to insert incentives into the program for the individual to invest in and/or to purchase private health insurance.

The new options now offered are called Medicare Plus Choice. Under previous law, physicians could be prosecuted if they charged Medicare beneficiaries more than the amount allowed by the government, even if patients were willing to pay the extra fees. Physicians also could not sign private contracts with Medicare patients for any services covered by the program. Under the new law, however, beneficiaries may drop out of the Medicare program and sign private health insurance contracts with doctors. Physicians who make private arrangements with patients can now charge more than the amount allowed under Medicare's fee schedule. Those physicians who choose to do this, however, will be totally excluded from the Medicare program for two years (Binstock 1998).

Most likely, the drop-out provision in Medicare Plus Choice will not prove to be viable because it will prove unprofitable. Most physicians, except perhaps for a few specialists, cannot afford to forego their Medicare income. Further, few private insurance carriers are likely to risk insuring large numbers of Medicare beneficiaries without the guarantee of a government payment. Indeed, Medicare was enacted because private insurers found the elderly to be an unprofitable group. Yet some Medicare beneficiaries will choose private contracts with their physicians, and policy analysts believe it will be those retirees who are healthier, more affluent, and younger. As this group of desirable beneficiaries opts out of Medicare, sicker (i.e., more expensive), poorer, and older patients could be left in the standard Medicare program. Per patient costs for Medicare would then have to rise (Moon 1998).

Medicare Plus Choice also includes a demonstration project that allows beneficiaries to establish "medical savings accounts." Medicare will provide beneficiaries a set amount

for purchasing a health insurance policy, which ideally might offer a wider range of services than is presently available. Beneficiaries may then keep any unused funds as a tax-sheltered investment, or even to pass funds on to their heirs. Most policy analysts caution, however, that only healthy and affluent people will choose this option, and that the program will segment off an attractive pool of claimants for private insurers, further widening the disparity in income and wealth in the United States.

RETURNING WELFARE STATES TO MARKETS

These new Medicare options and the proposals for Social Security reform revive the core principle of American exceptionalism—that of individualism—by inserting into the welfare state the same principles that govern tax expenditures. As a general rule, when benefits are distributed as "rebates" against the individual tax burden, redistribution occurs from the less affluent to the more affluent. Sometimes tax expenditures favor the poor. The Earned Income Tax Credit, for example, provides tax rebates to the working poor. Most other tax expenditures, however, favor people who earn more than the median income, and often significantly more (Howard 1997). Such biases occur because these benefits tend to be offered through the workplace, more often by large companies in unionized industries, and to the better-paid workers.

Patterns of coverage in private pensions and health insurance exhibit disparities by social class and by race. In defined contribution plans, like the 401K for example, rates of participation rise with income (Korczyk 1993). Racial disparities also are present, with 51 percent of whites being covered by such pension plans, but only 44 percent of African Americans and 29 percent of Hispanics (Even and MacPherson 1998). Higher-paid workers are also more likely to have health insurance provided by their employers. Although rates of health insurance coverage have been declining for everyone, they have dropped more rapidly for low-income workers—from 49 percent covered in 1982 to only 22 percent in 1996 (Bureau of Labor Statistics 1998).

In the rush to return the welfare state to the market, it is important for policymakers to remember what markets *cannot* do. Markets are not designed to insure workers and families against unexpected hazards; nor are they designed to redistribute resources to those whose lives have been constricted by unequal opportunities to attend school, to earn good wages, and to accumulate wealth. Should the current trend in political discourse provide a framework for organizing social provision, the result would be a new type of two-tier welfare state—flat, low benefits for the poor, and tax subsidies for personal savings for life course risks for everyone else. As a system of social stratification, the welfare state would consist of an investment class and a class of those too poor to invest.

CONCLUSION

Sometimes it is difficult for sociologists to identify the principles shaping current trends in public policy. One reason is that the division of intellectual labor in our discipline tends to replicate program divisions. Experts on aging study Social Security; experts on health care study Medicare; experts on poverty study Aid to Families with Dependent Children. As a result, trends that are occurring concurrently across programs are obscured by these artificial boundaries. Another problem is that we lack a historical perspective because the outcome of the current restructuring is still undetermined. Further, many of the ongoing changes are highly technocratic and thus are invisible except to the most informed policy experts.

All of these factors make theories of welfare state formation appear irrelevant to contemporary policy debates. Nevertheless, a historical analysis reveals that the new directions in U.S. social policy signify a resurgence of the classical liberal tradition, designed to restore market forces to areas of social life that have been displaced by the growth of the state. At the core of this tradition is the premise that human society consists of a series of market-like relations, that individuals have natural rights to freedom and property, and that the primary role of the state should be to enforce only those rules necessary for reconciling conflicts over individual rights (Gray 1995).

The distinguishing features of American exceptionalism provide the framework for the sociological analysis of the welfare state and set the agenda for future research. That agenda should include inquiry into the social construction of policy issues, the framing of political initiatives, the social movements and elite networks that influence policy decisions, and the distributional consequences of policy outcomes. At the core of any distributional analysis should be the issue of whether new forms of racial inequality are being institutionalized within the welfare state.

The question of whether current trends represent the most recent manifestation of American exceptionalism rather than a concurrent restructuring across nations can only be determined within a comparative research framework. Studies of single countries can provide the building blocks for cross-national research. Comparative researchers can then use these single-country studies to examine how nations are responding to the fiscal pressures imposed by rising public budgets and aging populations, and whether they are redistributing the social welfare burden from the public to the private sector.

Jill Quadagno *is Professor of Sociology at Florida State University, where she holds the Mildred and Claude Pepper Eminent Scholar Chair in Social Gerontology. She is currently conducting a historical analysis of the racial integration of the U.S. health care system, and is studying the effect of a merger between two banks on the life course trajectories of older workers.*

REFERENCES

Advisory Council on Social Security. 1997. *Report of the 1994–1996 Advisory Council on Social Security*. Washington, DC: Advisory Council on Social Security

Antonio, Robert and Alessandro Bonnano. 1996. "Post-Fordism in the United States: The Poverty of Market-Centered Democracy." *Current Perspectives in Social Theory* 16:3–32.

Ball, Robert. 1998. *Straight Talk about Social Security*. New York: Century Foundation.

Binstock, Robert. 1998. "Personal Responsibility and Privatization in Public Policies in Aging." *The Public Policy and Aging Report* 9:6–9.

Bipartisan Commission on Entitlement and Tax Reform. 1995. *Final Report to the President*. Washington, DC: Government Printing Office.

Bloom, David and Richard Freeman. 1994. "The Fall in Pension Coverage in the U.S." Pp. 53–60 in *Pension Coverage Issues for the '90s*, edited by R. P. Hinz, J. A. Turner, and P. Fernandez. Washington, DC: U.S. Department of Labor.

Bureau of Labor Statistics. 1998. *Trends in Employer-Provided Health Insurance*. Washington, DC: Government Printing Office.

Esping-Anderson, Gosta. 1999. *Social Foundations of Postindustrial Economies*. London, England: Oxford University Press.

Even, William and David MacPherson. 1998. "Racial and Ethnic Differences in Pension Coverage and Benefit Levels." Working Paper Series, Pepper Institute on Aging and Public Policy, Tallahassee, FL.

Goldin, Claudia. Forthcoming. "Labor Markets in the Twentieth Century." In *Cambridge Economic History of the United States*, vol. 3, edited by S. Engerman and R. Gallman. Cambridge, England: Cambridge University Press.

Gray, John. 1995. *Liberalism*. Buckingham, England: Open University Press.

Hobbs, Frank and Bonnie Damon. 1996. *65+ in the United States*. Washington, DC: U.S. Bureau of the Census.

Hofstadter, Richard. 1972. *The Age of Reform*. New York: Alfred Knopf.

Howard, Christopher. 1997. *The Hidden Welfare State*. Princeton, NJ: Princeton University Press.

Koitz, David Stuart. 1998a. "Social Security Reform: How Much of a Role Could Private Accounts Play?" CRS Report for Congress, 98–195, March 4, 1998. Washington, DC: Library of Congress.

———. 1998b. "Social Security Reform: Bills in the 105th Congress and Other Proposals." CRS Report for Congress, 98–195, Sept. 8, 1998. Washington, DC: Library of Congress.

Korczyk, Sophie. 1993. "Gender Issues in Employer Pensions Policy." Pp. 59–66 in *Pensions in a Changing Economy*, edited by R. Burkhauser and D. Salisbury. Washington, DC: Employee Benefit Research Institute.

Kuttner, Robert. 1998. "The Rampant Bull: Social Security and the Market." *The American Prospect,* July–August, pp. 30–36.

Lipset, Seymour Martin. 1996. *American Exceptionalism*. New York: W. W. Norton.

Martin, Cathie Jo. 1998. "Inviting Business to the Party: The Corporate Response to Social Policy." Pp. 230–67 in *The Social Divide*, edited by M. Weir. Washington, DC: Brookings Institution.

Moon, Marilyn. 1998. "Privatization, Individualization, and Social Insurance." Pp. 45–52 in *Resecuring Social Security and Medicare: Understanding Privatization and Risk*, edited by J. Gonyea. Washington, DC: Gerontological Society of America.

Myles, John. 1988. "Postwar Capitalism and the Extension of Social Security in a Retirement Wage." Pp. 265–92 in *The Politics of Social Policy in the United States*, edited by A. Orloff, M. Weir, and T. Skocpol. Princeton, NJ: Princeton University Press.

O'Connor, Julia, Ann Shola Orloff, and Sheila Shaver. 1998. *States, Markets and Families: Gender, Liberalism and Social Policy in Australia, Canada, Great Britain, and the United States*. Cambridge, England: Cambridge University Press.

Pierson, Paul. 1994. *Dismantling the Welfare State*. Cambridge, England: Cambridge University Press.

Quadagno, Jill. 1988. *The Transformation of Old Age Security*. Chicago, IL: University of Chicago Press.

———. 1994. *The Color of Welfare: How Racism Undermined the War on Poverty*. New York: Oxford University Press.

———. 1998. "Social Security and the Entitlement Debate in the Clinton Administration: The New American Exceptionalism." Pp. 95–117 in *Clinton and the Conservative Political Agenda*, edited by M. Schwartz and C. Lo. London, England: Blackwell.

Quadagno, Jill and Melissa Hardy. 1996. "Private Pensions, State Regulation, and Income Security for Older Workers: The U.S. Auto Industry." Pp. 136–57 in *The Privatization of Social Policy*, edited by M. Shalev. London, England: Macmillan.

Rein, Martin. 1996. "Is America Exceptional? The Role of Occupational Welfare in the United States and the European Community." Pp. 27–43 in *The Privatization of Social Policy* edited by M. Shalev. London, England: Macmillan.

Salisbury, Dallas. 1997. "Current and Emerging Trends in Employee Benefits." *Public Policy and Aging Report* 8:1, 3–5.

Shalev, Michael. 1996. *The Privatization of Social Policy*. London, England: Macmillan.

Smeeding, Timothy. 1998. "Reshuffling Responsibility in Old Age: The United States in Comparative Perspective." Pp. 24–36 in *Resecuring Social Security and Medicare: Understanding Privatization and Risk*, edited by J. Gonyea. Washington, DC: Gerontological Society of America.

Stevens, Beth. 1988. "Blurring the Boundaries: How the Federal Government Has Influenced Welfare Benefits in the Private Sector." Pp. 123–48 in *The Politics of Social Policy in the United States*, edited by M. Weir, A. Orloff and T. Skocpol. Princeton, NJ: Princeton University Press.

Tallon, James R., Jr. 1998. "New Conundrums: Public Policy and the Emerging Health Care Marketplace." Policy Brief No. 11, Center for Policy Research, Maxwell School of Citizenship and Public Affairs, Syracuse University, Syracuse, NY.

U.S. Bureau of the Census. 1997. *Statistical Abstract of the United States*. Washington, DC: Government Printing Office.

U.S. Department of Commerce. 1995. *Budget of the United States Goverment: Historical Tables*. Washington, DC: Government Printing Office.

Weaver, Kent. 1998. "The Politics of Pensions: Lessons from Abroad." Paper presented to the National Academy of Social Insurance, January 29, Washington, DC.

Weir, Margaret. 1998. "Political Parties and Social Policymaking." Pp. 1–47 in *The Social Divide*, edited by M. Weir. Washington, DC: Brookings Institution.

Weir, Margaret, Ann Shola Orloff, and Theda Skocpol, eds. 1988. *The Politics of Social Policy in the United States*. Princeton, NJ: Princeton University.

Wennemo, Irene. 1998. "The Development of Family Policy: A Comparison of Family Benefits and Tax Reductions for Families in Eighteen OECD Countries." Pp. 70–97 in *Power Resource Theory and the Welfare State*, edited by J. O'Connor and G. Olsen. Toronto, Canada: University of Toronto Press.

PAST PRESIDENTS OF THE AMERICAN SOCIOLOGICAL ASSOCIATION

Lester F. Ward	Edward B. Reuter	Donald Young	J. Milton Yinger
William G. Sumner	Ernest W. Burgess	Herbert Blumer	Amos H. Hawley
Franklin H. Giddings	F. Stuart Chapin	Robert K. Merton	Hubert M. Blalock Jr.
Albion W. Small	Henry P. Fairchild	Robin M. Williams Jr.	Peter H. Rossi
Edward A. Ross	Ellsworth Faris	Kingsley Davis	William Foote Whyte
George E. Vincent	Frank H. Hankins	Howard Becker	Erving Goffman
George E. Howard	Edwin H. Sutherland	Robert E. L. Faris	Alice S. Rossi
Charles H. Cooley	Robert M. MacIver	Paul F. Lazarsfeld	James F. Short Jr.
Frank W. Blackmar	Stuart A. Queen	Everett C. Hughes	Kai T. Erikson
James Q. Dealey	Dwight Sanderson	George C. Homans	Matilda White Riley
Edward C. Hayes	George A. Lundberg	Pitirim Sorokin	Melvin L. Kohn
James P. Lichtenberg	Rupert B. Vance	Wilbert E. Moore	Herbert J. Gans
Ulysses G. Weatherly	Kimball Young	Charles P. Loomis	Joan Huber
Charles A. Ellwood	Carl C. Taylor	Philip M. Hauser	William Julius Wilson
Robert E. Park	Louis Wirth	Arnold M. Rose	Stanley Lieberson
John L. Gillin	E. Franklin Frazier	Ralph H. Turner	James S. Coleman
William I. Thomas	Talcott Parsons	Reinhard Bendix	Seymour Martin Lipset
John M. Gillette	Leonard S. Cottrell Jr.	William H. Sewell	William A. Gamson
William F. Ogburn	Robert C. Angell	William J. Goode	Amitai Etzioni
Howard W. Odum	Dorothy Swaine Thomas	Mirra Komarovsky	Maureen Hallinan
Emory S. Bogardus	Samuel A. Stouffer	Peter M. Blau	Neil J. Smelser
Luther L. Bernard	Florian Znaniecki	Lewis A. Coser	Jill Quadagno
		Alfred McClung Lee	