DISMANTLING SOLIDARITY

Capitalist Politics and American Pensions since the New Deal

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THE RETIREMENT PUZZLE

The Question

In 2008, the stock market crashed. From the opening of trading in October 2007 to its close one year later, stocks plummeted a whopping 37.5 percent. Like tipping dominoes, the fall triggered financial havoc in the retirement systems of the advanced capitalist countries of the world. Throughout the year, occupational pension plans in the OECD's member countries lost $5.4 trillion in savings, nearly 23 percent of their total value, contracting to $20 trillion.[1] The pension funds in the United States, which accounted for about 61 percent of global pension assets at the time, bore the brunt of this loss. The American occupational pension system saw a 26 percent decline in its value, while OECD countries saw an average of 17 percent of their pension retirement assets bleed out over the year.

Many Americans going into retirement in the years immediately following the collapse had their pension plans heavily invested in the stock market. Those same individuals, most of who relied on a 401(k) plan for savings, saw large portions of their retirement income simply vanish overnight (OECD 2009a). To make matters worse, consumer prices rose nearly 5 percent in the same period, making the smaller amount most had worth even less in real terms. The hefty loss forced many to defer retirement, downgrade their quality of life, or take on a second job—an unlikely option when job openings were so scarce. In fact, large segments of the workforce found themselves at a double disadvantage, in danger of losing both their savings and their jobs. But all was not lost for retirees. While occupational pensions were tangled in financial chaos, the inflation-adjusted value of Social Security benefits remained largely unaffected by the downturn, providing a stable and much-needed safety net that remained available despite other losses of income for the golden years (Burtless 2009:73).

Since the Great Recession, Americans, just like the citizens of other countries with heavily privatized pension systems, have discovered how uncertain and risk-laden their futures actually are. In 2011, more than half (53%) of adults were worried that when they retire they will be strapped for income, without enough to live comfortably. This was a sharp increase from another recession year, 2002—after the dot-com bubble popped, when just 32 percent had financial concerns about life after work. Financial anxiety and gloom about the future is not misplaced. From 2001 to 2010, the median wealth of households headed by adults 35 to 44 years old dropped from $99,727 to $43,698. The bulk of this loss was a direct result of the 2008 crash (Morin and Fry 2011).[2] By the middle of 2015, the Government Accountability Office reported that about half of all households ages 55 and older have no savings at all for retirement (U.S. Government Accountability Office 2015).

Global economic turbulence in capitalist financial systems raises real controversies about the viability and fairness of America's heavily marketized retirement system. Is the market the best way to organize the distribution of retirement income given the risks and disparities in outcomes that it generates for and between retirees themselves? Are more solidaristic institutions and arrangements, which are built on the idea of pooling risk around the market's uncertainties, preferable to those that put more risk onto workers to secure their own adequate retirement? Beyond deep normative issues about what our retirement system ought to be and the likelihood that its current form will lead to more crises in the future, both of which have been written on extensively, the current precariousness of the old-age security system also underscores a comparative historical puzzle about how the provisioning of American retirement income came to become so tied to the market in the first place. After all, the hopes and ambitions of progressive New Dealers such as Robert F. Wagner, the resurgent labor movement in the 1930s, and the Townsend clubs that dotted the nation in the Great Depression's wake promised a robust public retirement system. The New Deal era opened up the real possibility of a public pension program built on solidaristic principles of risk sharing and capable of providing a livable, egalitarian, and universal income during the golden years. Such hopes even lingered into the fleeting moments after World War II, when, as historian Nelson Lichtenstein (2002:126) writes, "The stakes were high because the level, scope, and political meaning of the entire social wage was on the postwar table."

But the solidaristic vision of shared risk, the kernel of Franklin Roosevelt's "freedom from want," was at best just partially realized. What followed in the decades since the 1930s was the making of a compromised and limited version of itself. A public-private approach to retirement income provisioning emerged that, over time, increasingly gave priority to capitalist market-oriented changes and mechanisms of income distribution. The public safety net for the elderly jumping out of the labor pool, whether voluntarily or pushed, which Roosevelt's 1935 Social Security Act (SSA) created, did not protect everyone. It excluded, for example, domestic and agricultural workers, many of whom were black and Latino. And those who were covered had to find ways to augment their benefits with other sources of income. The program eventually became nearly universal in the 1950s. It was well after the first Social Security check (for $22.54) was distributed in 1940. Yet instead of becoming the nation's central pensioning agency, Social Security became just another pillar in a much larger multipillar welfare state institution that included both public and private initiatives.

Beginning from this point, a basic sociological question motivates the rest of this book: Why, since the New Deal, was the American retirement security system augmented with market-oriented changes? There have been many forks in the historical road that led to America's current, highly marketized, old-age security system. The solidaristic ones are often the roads not taken. Taking a longer view, what explains the paths of marketization that the country has gone down at nearly every critical conjuncture since the New Deal when a more solidaristic route was possible? Why, in other words, has there been a slow reassertion of the reliance on markets that characterized much of the pre–New Deal period? And, more broadly, what does the marketization of America's retirement system tell us about the character of welfare states?

The development of old-age income security followed three paths over the half century since the New Deal, each distinct but converging: occupational plans were adopted as a supplement to Social Security; their assets were invested by employers into the stock market; and, most recently, they were turned into 401(k) plans. To explain the overall institutional trajectory of marketization, this book analyzes each of these paths. In particular, I address three historical questions: (1) Why was the collectively-bargained occupational pension system established after World War II in the place of real increases in Social Security benefits? (2) Once these private systems were established, what explains the subsequent employer consolidation of pension fund control and the shift of their investment into the stock market, mimicking the investment trends in corporate finance? And (3) Why, within the system of employer-provided pensions, was there a subsequent shift toward much riskier defined-contribution (DC) plans, such as 401(k)s, away from the traditional defined-benefit (DB) plan in the late 1970s and 1980s? More than 60 percent of workers with retirement coverage in 1983 had a DB plan; today, with the rise of 401(k)s, that figure has declined to 20 percent and is even smaller for private-sector workers. Taken together, these developments account for the major episodes of marketization in America's old-age security system. Explaining each episode will shed light on this gradual, decades-long shift.

In this book, I offer answers to each of these questions. But I also aim for a more general explanation of pension marketization through the use of comparative historical analysis. Unlike many other comparative historical accounts, which use states or other geographical units such as regions or cities for comparison, I compare the sequence of events in each episode of marketization. This comparison seeks to identify continuities across each time sequence to understand the common causal mechanisms at work in each, if indeed such exist (Haydu 1998:341). But institutional change is messy. These market-oriented shifts did not unfold in unique periods, neatly divided from one another. Although they are roughly chronological, the time periods of each episode overlap.

Building on the crisis theories of the welfare state from the 1970s and 1980s, I find that three interdependent factors enabled the marketization of retirement security between the New Deal and the 1990s. First, politics was key. Political intervention into and political regulation of the economy and industrial relations shaped each market-oriented shift. The long-term privatization of pensions was, somewhat ironically, driven by a *stronger* hand of the state in industrial relations, not a weaker one as we might expect. Second, politicians, both Democrat and Republican, did not intervene with the primary purpose of creating a retirement system guided by market forces, but rather did so to manage the broader market forces at work in the economy. When politicians believed that they faced an imminent crisis of capitalism that threatened to slow American economic growth, they acted to facilitate accumulation and to maintain America's global hegemonic position. Policymakers sought to promote capitalist growth. Changes in the old-age security system were often just the inadvertent result. But policymakers did not intervene in the same way in each episode. Third, both the *form* that policy interventions took and the *way* that the political intervention itself drove marketization are explained by the relative political, organizational, and economic power of unions and firms, or, the balance of class forces. In short, the structural need to maintain capitalist accumulation restricted the range of policy options politicians had to intervene with, but historical contingencies selected from within this range. I term this the *structural contingency* of welfare state change.

It is my desire that this book re-center capitalism in our understanding of the welfare state and policymaking in capitalist democracies. Policymakers face structural imperatives on the kinds of policies they formulate and what they can do while they hold elected office. They are compelled to support capitalist accumulation—because not doing so risks spurring on economic downturns and being voted out of office. This critical constraint on policymakers is simply too important to be as overshadowed or de-emphasized by students of politics. Yet, as I show in this book, the marketization of pensions is also a story fraught with contingencies that cannot be forced into too deterministic an explanation. Although policymakers confront a fundamental structural imperative to intervene for capitalism, how they manage is a result of the contingencies of class struggle.

On the Sources

As most researchers do, I went into this project carrying entirely different assumptions about what I was going to find than what I actually did. The argument that I had worked out *before* doing the research was simply unsupported by the historical record in the archives. As with most research, it had to be revised iteratively as it was confronted with new details that did not quite fit. The literature makes clear that policymakers mattered early on in the privatization of retirement security, but the widely accepted view suggests that the state mattered much less later. Although welfare state scholars do emphasize the ways that American politics and the private welfare state remained interwoven, they also tend to suggest that early state interventions in the 1940s created "policy feedbacks" and "path dependencies" whose effects remained durable even while the state took a backseat in subsequent decades. Taking this cue from the literature, I assumed that I would add to the accepted view. I hypothesized that what must have been driving marketization within occupational pension plans was largely a story about private actors, such as unions and firms, who while constrained by regulations and institutions largely made the changes within the pension system themselves.

Starting from this premise, I set out to dig into the business and labor archival record to piece the story together. Naturally, I started with those who appeared to be the principal players in the pension story. For labor, I consulted materials housed at the Walter P. Reuther Library in Detroit. I explored unions affiliated with the Congress of Industrial Organizations (CIO), which were the key drivers in getting pensions established after World War II. I also explored the materials of the United Auto Workers (UAW) extensively. By the time that the CIO had merged with the American Federation of Labor (AFL) in 1955, forming the AFL-CIO, unions from both federations were central to the development of America's retirement system. I drew on materials from both the AFL and the AFL-CIO, which at the time were housed at the George Meany Memorial Archives at the National Labor College in Silver Spring, Maryland. I also drew from the William Green and George Meany Papers housed there. Accessing these materials when I did was a stroke of luck. Shortly after viewing them, the National Labor College was shut down. Although they have since been moved to the University of Maryland, there was a long period of time after I viewed them when they were simply unavailable.

On the side of industry, I spent many weeks living in a former blacksmith's shop of Du Pont's early 1800 gunpowder works while I poured over the collections of key employers' associations during the day at the Hagley Library in Wilmington, Delaware. Three collections were especially critical to piecing together the story that follows in this book. I drew on the materials of two employers' associations that were particularly vocal and involved politically in issues relating to employer pensions, the Chamber of Commerce (USCOC) and the National Association of Manufacturers (NAM). I also drew very heavily from the collection of the National Industrial Conference Board (NICB), the premiere employer's research institution, which not only coordinated meetings and discussions, but also produced richly detailed reports and studies that individual employers and employers' associations could draw on. As with the labor materials, I viewed subcommittee reports, conference minutes, memoranda, personal letters, speeches, literature, newspaper clippings, congressional testimony, and studies related to Social Security, pensioning, and collective bargaining. In total, I read over 11,000 documents that date from the 1930s to the 1990s.

These materials proved revelatory. Combining the business perspective with that of labor, they did not merely cast doubt about my earlier assumptions, they proved them entirely wrong. What I found was that politics mattered continuously and consistently for all of the major changes in America's pensioning system, even those that appeared to be quite distant from legislation. I also found that the actions of policymakers were justified with their concern about what was "best" for the American economy, which they shared both publicly and privately. Like any decent investigator, I followed the clues and let the primary sources speak for themselves. What the reader will find is that while this book is built around the information that I pieced together from business and labor archives, it also draws on state-level sources, such as congressional testimony, political speeches, and political biographies, to provide additional critical information for its core theses. And of course, much of this is intertwined with information drawn from the rich historiography. Without the work of previous scholars I would have been lost in the archives.

Project Roadmap

The study unfolds as follows. In chapter 2, I build the conceptual approach that I use to explain pension marketization. This chapter holds the book's core contribution. There I argue that we must reformulate crisis theories of the welfare state to better understand the trajectories of pension marketization recounted in this book. The following chapters are then organized around an examination of three such episodes of change in America's retirement security system. Chapter 3 begins the book's empirical work. It is an analysis of the growth of the private pension option after World War II. There I explain why collectively bargained plans were adopted to supplement Social Security. In chapter 4, I discuss how employers gained control over pension fund investment decisions and why, once private pension plans were established, they directed their assets into the stock market. And in chapter 5, I take on the task of explaining the rise of DC plans, such as 401(k)s, after the late 1970s. Finally, chapter 6 concludes, taking stock of the book's arguments and its broader theoretical and political implications.

2

CAPITALIST CRISIS AND PENSION INSECURITY

Solidarity or the Market?

In his pioneering book, *The Three Worlds of Welfare Capitalism*, Gøsta Esping-Andersen (1990) argues that welfare states cluster into different regime types. Welfare state regimes vary in the way the state, the market, and the family are arranged as sources of social support for the people of a country (26). Broadly conceived, they comprise the institutional arrangements, rules, and understandings that guide social policy decisions, expenditures, and the demand structure of welfare consumers (80). In this regard, a welfare state regime is more encompassing than state-level welfare policy because it extends beyond formal government programs into the multifaceted ways in which economic social rights are constituted. Typically, they are a combination of publicly provided social rights, publicly supported private initiatives, and private initiatives that go unsupported by the state.

Along with Canada's and Australia's, Esping-Andersen classifies the U.S. welfare state regime as "liberal" because it tends to have means-tested programs, modest universal transfers and social insurance plans, and a heavy reliance on employer provided benefits. Taken together, public programs providing health care, child-care support, job training, disability benefits, and different forms of compensation and subsidies for working people are notably less generous in the United States than in many other rich countries. In 2014, the United States spent well under 20 percent of gross domestic product (GDP) on public programs, below the OECD average and far below the French high of 32 percent (OECD

2014). However, the United States' much heavier use of private, employer-provided social programs is the largest in the world. Whereas public programs tend to be less generous, a large share of the duties carried out by governments elsewhere is put in the hands of American employers. Where one works becomes critically important for personal and family concerns that extend far beyond the size of one's monthly check. For many, place of employment determines access to health insurance, dental insurance, eye care, child care, and most importantly for this book, a pension. In 2012, expenditures on private social programs in the United States accounted for almost 11 percent of GDP, far above the OECD average of 2.6 percent (OECD 2014).[1]

Why the United States relies so heavily on occupational health-care schemes is uncomplicated; it is the only advanced capitalist country without a comprehensive public health-care program that covers most of the population. However, this is also true of retirement security, an area where the United States does have a large and universal public program, Social Security. In the United States, 45.1 percent of retirement income is derived from private pensions, well above the OECD average of 19.5 percent (OECD 2009b). And although Social Security is a massive program—it is the largest income-maintenance program in the United States—it is relatively small compared to the public pension programs in many other advanced capitalist countries. The portion of one's gross pre-retirement earnings that are covered in retirement by the program, which is termed the replacement rate, is 42.3 percent for the median wage earner. That is well below the OECD average of 60.6 percent from other state-administered retirement programs.

But occupational retirement plans do not operate beyond the scope of the state. Welfare state scholars show that employer-provided social programs have been both supported by and interwoven with state policies. Provisions in the federal tax code that make contributions to programs such as health-care plans and retirement plans tax deductible provide incentives for employers to adopt them (Howard 1997; Hacker 2002). At times, policymakers have made such changes to encourage employers to offer fringe benefits to their workers. And large-scale expansions in the U.S. public welfare state during the New Deal period pushed some businesses to adopt social programs as a way of countering further expansions in public programs (Gottschalk 2000; Klein 2003). Far from reinforcing the illegitimate view that there is a static separation between state and market processes (Block and Somers 2014; Krippner 2001), private policies are often part and parcel of state policies and can be said to be "embedded" in politics.

Although they are interwoven, the distinction between public and private, as a source of social support, is not trivial or merely academic. Scholars show that where workers procure their benefits has deep implications for the distribution of social risks among a society's members. Risk distribution in private benefits differs from public ones in four critical ways (Hacker 2002:34–40). First, they are more likely to be voluntary for employers. In many policy areas, employers who are not forced to provide additional benefits simply will not offer them if they cannot clearly tie them to their bottom line. In the case of occupational pensions, although they are an important source of income to augment Social Security, less than half of the working population has one. Second, because they are provided through employment, they will be awarded in accordance to a firm's ability to pay for them. This ties current and future benefits to the firm's finances and, more broadly, to the winds of the markets that the firms do business in. Third, and related, they are not awarded in accordance with need. Instead, employer-provided programs tend to be regressively distributed. When welfare states emphasize private benefit initiatives over public ones, better paid workers will also get better benefits. This produces an unfair outcome. In a system of private provisioning, those that need benefits the most get them the least. As Jacob S. Hacker (2002:36) has noted, when "approaches become more private in structure and more voluntary in operation, they tend also to become less able and likely to redistribute income and risk down the economic ladder." Finally, their very establishment precludes the possibility of a universal system organized around the principles of shared risk and egalitarianism at the heart of a more solidaristic approach. Once the private element of the welfare state is established, it locks in a system that generates unequal outcomes in retirement income. Public programs, by contrast, have a higher likelihood of, and indeed the real possibility of, distributing social risk on a more solidaristic and egalitarian basis.

While the public/private distinction is important for understanding how welfare programs function, we ought not overemphasize its analytical purchase. Indeed, this study aims to expand upon it. Conceptualizing welfare regimes solely in public versus private terms poses important barriers for thinking about how social support can be organized. Meaningful differences exist within both state- and employer-administered social programs. This variation should be thought of, not as public or private, but rather more or less *solidaristic* or *market-oriented*, as the classical theorists approached the welfare state generally (Marshall 1950; Titmuss 1966). As programs in capitalist societies become more solidaristic, the costs of addressing social risks (such as illness, poverty, disability, and old age) are pooled across the population. In Peter Baldwin's (1990:2) phrase, "the terms of misfortune's reapportionment" do not rest on the shoulders of individuals or families, but instead are mutually agreed on at the level of policy and set by the standards of the day. As programs become more market-oriented, however, individuals increasingly confront the economic uncertainty of life alone, their needs met or unmet by their own private dealings. A greater reliance is placed on their personal or familial savings or performance on the labor market. Of course, the most market-oriented approach is to have no social programs whatsoever, leaving societies members alone to fend for themselves on markets. But within both public and private approaches to welfare provisioning, there are deep differences along this dimension.

For instance, some public programs are *universal*, available to the entire population, like access to a basic precollege education in the United States. As programs approach universality in access and equality in distribution, where risk is shouldered by all, they come to represent the most solidaristic approach to the risks people are exposed to in capitalist societies. Here a beneficiary's market performance does not determine access to benefits like heath care, child care, and retirement income, it is simply deemed a right, and as a result their access and standard of living tends to be more stable (Esping-Andersen 1990). *Targeted* or means-tested public programs, by contrast, are available to certain individuals and families because they meet certain criteria, and as a result risk is more individualized. Here access to a benefit is conditional on one's market performance. For instance, Temporary Assistance for Needy Families (TANF) is accessible by families or individuals with dependent children, who earn below a certain income level, and only for a limited period of time. Although they receive aid, the recipients' worry about both the amount of aid they receive and their continuing access to that aid is on their shoulders alone. In many means-tested programs like TANF, recipients can face a so-called benefits cliff where a small increase in income could lead to benefits losses that leave them financially worse off. Both access and distribution are in this instance determined by market outcomes.

Like public programs, private nongovernment programs also can be more market oriented or more solidaristic. Employer-provided welfare plans sometimes cover all employees and are constructed through a *collective contract*, typically bargained over by a union. While these are less solidaristic than universal public programs because they are dependent on employment and an employer's ability and willingness to pay, they still distribute risk across a large group of employees. Like an insurance model, when plan participants collectively confront market risks, such as the possibility that their employer will go under and be unable to provide their benefits, there is a lower likelihood that any individual will lose their benefits. In the case of pension funds, in fact, sometimes risks can be spread across several generations. Alternatively, employer-sponsored welfare plans can be made available and distributed on the basis of the particular *beneficiary's performance*, where an individual worker's behavior determines access and distribution. For example, employer-provided benefits may only be offered to select employees either because of an employee's position in the firm or as a reward for how a worker performs on the job. In this model, there is increased risk that the

TABLE 2.1. Degrees of marketization in hypothetical social programs

	RISK SHARING	RISK INDIVIDUALIZED
PUBLICLY ADMINISTERED	Universal (most solidaristic)	Targeted
PRIVATELY ADMINISTERED	Collective Contractual	Beneficiary Performance (most market-oriented)

employer might decide to revoke benefits. In the case of 401(k) retirement funds, how much savings individuals will have at retirement depends on how well they invested their fund during their working life. Savings are not guaranteed or tied to final salary, and they are partially determined by the market at the time of retirement. Table 2.1 offers a summary of the degree to which different kinds of social programs can be marketized. The shading, from light to dark, indicates more market-oriented arrangements while the arrows point to the possible paths of marketization welfare systems can be transformed along.

This approach, which draws a gradational distinction between solidaristic and market-oriented institutions, is indebted to Esping-Andersen's concept of "decommodification." For Esping-Andersen (1990:37), the fundamental way in which welfare states differ is in the "degree to which individuals, or families, can uphold a socially acceptable standard of living independently of market participation." If living standards are determined more by market participation, then labor is more commodified. And if they are determined less by market participation, then it is less commodified. Public, universal, and egalitarian welfare policies have the effect of "decommodifying" labor, by making workers less dependent on work.

Though I build on Esping-Andersen, my approach, which contrasts solidaristic versus market-oriented forms of welfare provisioning, differs in a crucial way. In particular, I am primarily concerned with how risk sharing or markets drive *distributional outcomes*. In other words, two individuals might participate in the labor market to the same degree and have access to an employer-provided benefit, something that Esping-Andersen would say is less decommodifying than universal flat-rate programs. But this ignores the criteria that determine the distribution of those benefits. One of those programs can be organized in such a way that its benefits are distributed through market processes (e.g., when benefits are derived from a fund that is invested in the stock market). Another might be organized in such a way that benefits are guaranteed (e.g., because of employer responsibilities or state backing via public insurance). In these examples, we see that an additional critical way these programs differ is related to the degree to which market forces or shared risk drives the distributional outcomes of the program itself.

In this vein, the story of the development of U.S. old-age security cannot be told primarily as the making of either a public or private approach, or even as a public-private mix as more recent scholars have considered it (Gottschalk 2000; Hacker 2002; Klein 2003). Instead, after the New Deal response to the Great Depression, which offered one route toward a more solidaristic approach to old-age income provisioning (i.e., one built on shared risk and mutual support), old-age security proceeded down several distinct paths of marketization that individualized risk and tied people's retirement benefits and livelihoods to capitalist market processes. This course was not a result of the U.S. public-private welfare state being locked in place after World War II through path-dependent processes, as Hacker (2002) and others argue. Nor, as Jennifer Klein (2003) argues in her excellent history of the U.S. public-private approach to welfare and the role of insurance companies in it, was it a story of the federal government helping to set up a private insurance system then stepping back to let market forces dictate its subsequent development.

The U.S. retirement system, as well as those of rich countries that are slowly beginning to follow it, does not simply have a public-private welfare state, but has an approach to social provisioning that even within that mix has become more marketized and less solidaristic. In this book, I emphasize the changes *within* the private pension system itself. On this front alone, Americans, relative to their counterparts in other advanced capitalist countries, have had their retirement income more greatly exposed to capitalist market processes and pressures, a feature that is by design. As I show, politics and politicians, responding to economic crises in capitalism, have played a vital and decisive role in every step of its evolution.

In short, the so-called invisible hand of capitalism has slowly risen from its shallow New Deal grave and is once again a main distributional force governing the U.S. system of retirement income, putting dangerous risks onto the shoulders of the individuals that are subject to it. The size of the financial stockpile that one has to live off in retirement, in the long run, is typically a result of future retirees' own market performance, their investment decisions about their savings, and the fluctuations of the market itself, something simply beyond their control. The burden of securing retirement income, in other words, is not shared but instead is increasingly faced alone. Some win and others lose, and when they do lose, as happened in the 2008 crisis, only the paltry benefits from Social Security are there to lessen the staggering financial blow.

It is not surprising, then, that in the United States seniors are particularly poor off relative to those in other rich countries. By OECD measurements, about 20 percent of seniors between 66 and 75 years old are in poverty, while the proportion increases to 27.4 percent for those above 75. Consider a comparison with the United Kingdom. The percentage there is 8.5 and 12.6, respectively; while the broader OECD average is 11.7 and 16.1 percent, also respectively (OECD 2011). And the burden of an individualized and marketized system makes many Americans rightly uncertain or simply ignorant about their own financial futures. In a 2008 survey (Munnell 2009:12), just 18 percent of the respondents indicated that they were very confident that they had put aside enough for retirement, 28 percent had not saved anything for retirement, and 53 percent were totally unaware of how much they would need come time to leave the labor market. Moreover, such a shift toward individualized market risk within the private sphere has not been counterbalanced with an increase in benefits or shared risk in the public sphere. Without major reforms, it is predicted that Social Security benefits will gradually decline in the coming decades. If left as is, Social Security replacement rates will shrink from 40 percent of the average worker's wage (as it was in 2002) to around 30 percent in 2030 (Orenstein 2009).

Capitalist markets make winners and losers. And so it goes with retirement income provisioning in the United States. Like the lottery, some win for their golden years while others lose. And for many, the result is a mystery, left in others' hands and at the behest of abstract forces in distant financial markets. The precarious state of an approach to retirement security oriented around capitalist principles makes answering this book's main comparative historical questions all the more pressing. To reiterate them, why was the post–New Deal retirement security system set up as a public-private mix instead of a more solidaristic public one based on shared risk? Why, in the subsequent decades, did the private element become both relatively larger and increasingly marketized, unlike the retirement systems in many other rich countries? And finally, what does this story tell us about the character of welfare states more broadly?

The Argument in Short

Before elaborating, I briefly preview the argument that I make throughout the rest of this book. After the New Deal, the U.S. old-age security system was augmented with institutions and practices situated in private markets by way of three transformative episodes. First, although private pensions date back to their first adoption in the late 1800s in the railroad industry, they were established on a widespread basis after World War II, when they were subject to collective bargaining between employers and unions. Second, after a period of risk-averse investing in bonds and government securities, pension fund assets were reinvested into the riskier stock market by employer-controlled boards of trustees. And third, since the late 1970s, riskier defined-contribution plans, such as 401(k)s, have increased in number and largely replaced their traditional and more secure defined-benefit counterparts.

This book explores how the capitalist context in which policies are made itself bears on this policy change. I explain each episode of change above by showing how policymakers intervened in industrial relations to contain and manage crises that they believed were unfolding or were immanent in U.S. capitalism. The changes in the pensioning system that these interventions spurred on were at times completely unintentional and at others of only secondary importance to them. Policymakers were motivated, above all else, to facilitate capitalist accumulation, which was often only remotely related to the retirement system. In short, policymakers were responding to structural imperatives as they perceived them. But the form that their political interventions took and how those interventions actually reshaped old-age security depended on historical contingencies borne by the balance of class power between firms and unions. The central point I make is that, at its very heart, the contemporary market-oriented system of retirement income provisioning is a result of politicians managing recurrent crises in American capitalism but doing so within the changing constraints of class forces. Taking these two factors together, I describe the pattern of change within old-age security since the New Deal as one of *structural contingency*. In the following paragraphs, I summarize each historical episode for the purposes of a quick overview.

The Spread of Employer Pensions. While many European countries consolidated their public old-age security systems in the postwar period, the United States shifted decisively toward collectively bargained private pensions. After World War II, the largest strike wave in history to that point spread across the country. Unions had unsuccessfully initiated major political efforts to expand Social Security, namely in the failed Wagner-Murray-Dingell bill. But they also struck for collectively bargained benefits, some, such as the UAW's Walter Reuther, to leverage employers to support Social Security expansions but others solely to satisfy their own members' retirement needs. Union strike efforts played a large role in pushing employers to begrudgingly adopt pensions for their employees. But labor did not win private pensions through straightforward power bargaining with capitalists, who were in a much stronger bargaining position after the war. Instead, Harry S. Truman and his administration saw the upsurge in strike activity and employers' willingness to let equipment sit idle as a crisis in capitalist production, which undermined the state's goal of expanding American capitalism and influence in the war-torn economies of Western Europe and Japan. Between 1945 and 1948, Truman's administration intervened actively to resolve the industrial conflicts and get production in coal, steel, auto, and other major industries back online. Its main goal was labor peace.

Yet, Truman did not intervene to weaken unions. Republicans and Southern Democrats in Congress argued that this was the best way to solve the crisis. Instead, his administration's policies largely supported union demands for fringe benefits. His policy choices were shaped by contingent historical conditions. After the New Deal, organized labor shifted its strategy toward electoral activity, making CIO unions an important component of Northern Democratic political machines. The politics that resulted from union electoral support of Northern Democratic politicians explains why the Truman administration intervened to help establish a system of collectively bargained pensions. To support a key ally in the New Deal coalition and to halt the crisis in production that threatened to slow postwar growth, Northern Democrats intervened on behalf of unions in labor disputes.

The Financialization of Pension Funds. By the mid-1970s, employee pension funds controlled nearly 25 percent of the equity in all U.S. corporations. Although beneficiaries legally owned the money (the majority of which were union members), most unions with negotiated plans were unable to control or influence decisions about asset allocation, allowing employer-appointed fiduciaries to direct the monies in ways that suited plan sponsors and mimicked financial industry practices. This had negative long-term ramifications for unions, their members, and working people more broadly. Pension fund money was used to invest in anti-union firms and was increasingly invested overseas in areas with poor labor standards, all in pursuit of higher rates of return. Fundamentally, pension fund assets became increasingly tied to trends in speculative financial markets.

These developments were not simply the result of plan fiduciaries, pension fund managers, benevolently pursuing the investments that were most in the financial interest of beneficiaries. Instead, Republicans won control of both houses of Congress in 1947 and, along with their Southern Democratic allies, sought to counter what they perceived as a growing crisis of American capitalism, the power of unions. They intervened in the management of pension funds, not to protect retirement investing, but rather to ensure that organized labor would not control them and turn them into what congressman Robert Taft called a "war chest" (quoted in Fogdall 2001:222). The provisions of their first effort, the Taft-Hartley Act of 1947, turned labor's retirement assets over to employers to invest. It was only in multiemployer pension plans, most common in the building and construction trades, that unions were able to get around the intent of Taft-Hartley and exercise control over investment decisions. This is a contingent feature of the story that explains the different investment patterns of these plans. But, the passage of the Employee Retirement Income Security Act (ERISA) in 1974 restricted union control in even these multiemployer sectors. Unions in the United States lacked the political and social power to reform these laws, leaving employer-run pension boards able to mimic investment practices in other sectors of finance. Although there was a possibility in the run-up to Jimmy Carter's failed election in 1980, a conservative coalition won by electing Ronald Reagan and defeating labor's attempts at reform.

The Rise of 401(k)s. Even more market-oriented defined-contribution plans, such as 401(k)s, were introduced between the 1980s and 1990s. In contrast to the notion that this growth was simply driven by political institutional changes, such as the piecemeal adoption of the neoliberal policy regime known as the "Washington consensus," I argue that it was an unintended consequence of new legal regulations on the defined-benefit system.

By the second half of the 1970s, both Democratic and Republican politicians were confronted by an inflation crisis. And by the end of the decade, policymakers on both sides of the aisle rallied around the goal of inflation-less growth. They drew on the theory that the principal cause of the decline in the dollar's purchasing power was wage gains driven up by unions and worked with the Federal Reserve to discipline labor and halt wage growth in unionized industries and sectors. Once elected, Reagan's administration continued the policy of reducing inflation by weakening unions begun at the tail end of Carter's term. Despite Reagan's small-state rhetoric, part and parcel of his administration's approach to lowering inflation was strengthening regulations on pensions to undermine the unions with control over them. Unions like the Teamsters, with relatively well-paid members, were targeted by the administration's new rules.

A battery of new regulations were passed between 1974 and the late 1980s. Ostensibly, these regulations were passed to make the DB pension system more secure. Instead, the legislation pushed businesses to adopt much riskier DC plans as an alternative. The legislation worked in such a counterintuitive way because of two contingent factors related to changes in the balance of class forces in U.S. society: (1) regulation increased costs for businesses, especially smaller ones where unions were weak, at the same time that shifts in the economy led to a growth of employment in the service sector and a decline in manufacturing where unions were historically stronger; and (2) unions were unable or unwilling to unionize the service sector, with the result that new businesses in that area were not compelled to negotiate DB plans. In such a context, regulatory costs pushed many firms to adopt DC pensions for their employees if they adopted any plans at all.

In each episode, policymakers have striven to promote capitalist growth. Pension marketization was the inadvertent result of their interventions for accumulation.

Capitalism and the Welfare State

Understanding the causes of these historical shifts in the evolution of the private pension system in the United States speaks to the theoretical issues that are at the core of the political economy of welfare states. Specifically, which social forces drive forward institutional changes in the policies that govern social redistribution in capitalist societies? For several decades, a large portion of the literature has conducted a debate over which agents and institutions are more important than others in spurring on expansion or retrenchment. The list of possibilities is long; a thorough review of the literature itself would be book length. Are special interest groups more important than voters? Are unions the primary force behind welfare state expansion, and businesses the force behind retrenchment? Or can businesses themselves be a force for expanded welfare policies? Do state actors have autonomy from broad social forces? And are state policies and political institutions themselves imbued with independent causal properties? Before articulating my own explanation, I offer a brief review of the scholarship on welfare state change in the following section, focusing in particular on political institutionalism, power resource theory, and business-centered accounts. My intention is not to suggest that these approaches are wholly wrong in foregrounding the kinds of causal processes and factors that they do. Indeed my own analysis has considerable overlap with each of them. Yet, while each approach contains its own strengths and insights, and certainly all have advanced our understanding of the welfare state, they also share a common limitation—the tendency to analyze causal processes as either independent from or abstracted away from the capitalist context in which they occur. In particular, none consider the way that capitalism itself bears on policy change, which my analysis suggests is absolutely essential to understand it.

Political Institutionalism

Political institutionalism is perhaps the most practiced of the approaches to understanding welfare state change. Once called the state-centered approach, it was pioneered by Theda Skocpol and colleagues (1979, 1992; Skocpol and Amenta 1986). Political institutionalism is built on the view that the state, in and of itself, can be the force that shapes a country's social policies. These scholars explore the way the enduring features of the constitutional system combine with properties of the state to shape politics (Sheingate 2014).

Institutionalists emphasize three causal dimensions of the state: the autonomous decisions of state actors themselves, the organization and structure of state bodies, and the effects of policy legacies or policy feedbacks. For example, the timing of democratization (Skocpol 1992), a nineteenth century patronage system (Orloff and Skocpol 1984; Amenta 1998:24), an uneven democratic development (Amenta 1998), the constitutional rules of the game (Immergut 1992; Lipset and Marks 1999), and party control (Hooks and McQueen 2010; Huber and Stephens 2001) are all used within this framework to help explain the development of particular welfare provisions. In relation to the U.S. private welfare state, for instance, Frank R. Dobbin (1992) argues that institutional structures constrain the policy choices made by organizations and states by examining how public policy shifts changed the organizational and political goals of salient interest groups and how these altered goals in turn stimulated the growth of fringe benefits. In his view, public policies such as the Wagner Act and Social Security Act, both of 1935, led to union and business support for private pension insurance, which in turn spurred the growth of fringe benefits.

Similarly, political institutionalists emphasize the causal role of government bureaucrats such as actors on the Social Security Board in the case of the Social Security program. Martha Derthick (1979:7) famously argues that, "[Social Security] policy has been made by a relatively constricted and autonomous set of actors with a strong sense of proprietorship in the program." It was these specialists, rather than social forces beyond the institutional purview of the state, who dominated the outcomes and development of pensions (65). Derthick, of course, offered a state-centered argument on its strongest terms possible; most of the recent institutionalist analyses offer the more qualified view that state institutions channel interest groups in decisive ways.[2]

For instance, Ann Shola Orloff (1993b) argues that in the United States, unlike in Britain and Canada, middle-class actors opposed reforms in the pension system because of the effects of a preexisting Civil War pension program and a decentralized poverty relief apparatus, an example of what institutionalists call "policy feedbacks." In all contexts, however, she argues that the initiation of social provisions for the aged were the work of cross-class coalitions of middle-class, farmer, and working-class actors led by political reformers. Similarly, Hacker (2002:90) argues that the most serious barriers to the expansion of Social Security after it was enacted were constitutional and political: the weakness and fragmentation of national political power, the absence of programmatic parties backing reform, the preeminence of the states as the loci of social legislation, and the strength of the opponents of government redistribution. Like other institutionalists (e.g., Pierson 2004), Hacker uses the concept of "path dependency" to explain his outcome. Although the Social Security Act itself has path-dependent features for Hacker (such as its long-lived commitments to pensioners), private provisions display similar trajectories. Hacker (2002:56) argues that the development of private pensions has been considerably colored by law, both "supported by and interwoven with government policies."[3]

Are the institutionalists right? Yes, but only partially. A main contribution of political institutionalism is to pose questions and offer explanations at a lower level of abstraction than earlier approaches (see Hedström and Udehn 2009). Earlier welfare state theory tended to explore the broad relationship between industrialization (e.g., Wilensky 1965) and capitalism (e.g., O'Connor 1973; Gough 1979; Offe 1984) with welfare state development at a very high level of abstraction. Institutionalists (Hacker and Pierson 2002:282) have responded that "it depends," because capitalist democracies take widely divergent institutional forms and historical contingency is more the rule than the exception. In part, this is a welcome shift in focus. But it throws the baby out with the bathwater, rendering the capitalist context in which policymaking and institutions are embedded largely invisible. In their scholarship, the institutionalists have said far too little about how policymaking itself is structured by constraints that obtain in all capitalist economies. Recently, leading institutionalists (Hacker and Pierson 2002; 2010) themselves acknowledge this limitation.

Power Resources Theory

Alternatively, power resource theory (PRT) places class struggle and social conflict at the center of the study of the welfare state. Unlike political institutionalism, power resource scholars start with basic assumptions about the class character of capitalist societies: unequal class structures facilitate the formation of groups with differing access to resources and competing interests with regard to social provisioning. Class mobilization of these resources then bears on the development of the welfare state (Stephens 1979; Korpi 1983; Esping-Andersen 1988; Pontusson 1992).

With Sweden often taken as the prototype, PRT argues (Shalev 1983; Korpi 1983) that strong labor movements aligned with social democratic parties push the state to adopt and expand social spending programs. But politically, votes are what count. Welfare provisions are won when social democratic parties "subordinate class purity to the logic of majority politics" and move from being parties of the working class to parties of the people, broadly conceived (Esping-Andersen 1988:8–32). A snapshot of European welfare states, as compared to the relative absence of social provisions in the United States, appears to support this view. High union mobilization resulting in leftist governments with electoral support has typically resulted in higher levels of welfare spending (Brady 2003) and "de-commodifying" social programs (Esping-Andersen 1988, 1990). According to PRT (Korpi and Shalev 1980; Hicks, Misra, and Ng 1995), once working-class organizations gain control of the state and wield political power, often through coalitions, labor and social unrest become relatively unimportant to the formation of welfare state policies.

PRT tends to reduce to a "balance-of-class-forces" argument: when labor is strong, it wins social policy gains; when business is strong, it rolls them back (see Misra 2002). In the case of old-age insurance in the United States, organized labor's preferences and capacities have never been so straightforward. In fact, it was only after Social Security was on the policy table that the major labor federations decided to support it—it was not the result of organized labor's explicit and intentional initiative. Before the 1930s, labor had adopted a position of voluntarism, opting instead for union-run pension schemes, many of which failed financially during the Great Depression (Rogin 1961; Beito 1999; Kaufman 2002; Klein 2003). Even after the passage of the SSA in 1935 and when labor's numbers were growing by the end of World War II, the labor movement was one of the main forces pushing for joint-run private pension schemes; and unions had largely given up on lobbying Congress for increases in Social Security after the expansions under Richard Nixon in the late 1960s and early 1970s (Quadagno 1988; Sass 1997).[4] Furthermore, segments of U.S. business actually favored old-age insurance and were always organizing for the changes that drove marketization (Quadagno 1984:641; Domhoff 1987; Swenson 2004).

But even more fundamentally, although PRT appears to have robust explanatory power in the Nordic countries, like political institutionalism it also fails to detail how policymakers are constrained by capitalism itself—free from the relative organizational influence of businesses and labor unions. Without a more sufficient elaboration of how the capitalist context imposes structural constrains on policymakers, the factors emphasized by PRT alone only offer a partial explanation for the long term development of old-age security in the United States. While the balance of class forces are a critically important factor, as this study shows repeatedly, the analytical lens that we use to understand pension marketization cannot be limited to the organizational power of business and unions alone. In each case I find that the action on the part of policymakers that triggered these shifts was driven by the capitalist context itself, not particular class forces within it. As with institutionalism, I draw from PRT with the intent of going beyond it as well.

Employer-Centered Approaches

Recent employer-centered accounts shift the causal emphasis to firms. These scholars ask: When will firms be in opposition to social policies, and when will they support them? When will they prefer private, firm-level policies? Peter Swenson (1991, 1997, 2002, 2004), for instance, building on the historical insights of Gabriel Kolko (1977), argues that welfare provisions often serve important regulatory functions that are associated with the interests of certain sectors of business. That is, social policies often regulate competition among capitalists in ways that protect the profits of a politically significant portion of them. Colin Gordon (1991, 1994) and G. William Domhoff and Michael J. Webber (2011) make comparable arguments when explaining important New Deal legislation in the 1930s. Similarly, several studies (Culpepper 2002; Martin and Swank 2012) have shown how interfirm coordination shapes the interests and preferences of businesses with regard to social policies.[5]

Alternatively, analysts in the influential varieties-of-capitalism (VoC) literature (Hall and Soskice 2001; Iversen and Soskice 2001; Mares 2003a) regard worker investment in the skills (human capital) relevant for firm production as of highest importance for determining employers' preferences regarding welfare policies. According to this approach, social insurance is an inducement to working people to invest in job-specific skills that are subject to greater risks related to market fluctuations. When firms are at a greater risk of losing needed skilled labor, there is an increased benefit in redistributing risk (Iversen and Stephens 2008; Mares 2003a:32). Like Swenson, VoC scholars aim to identify the factors affecting the cost-benefit calculations made by different firms when faced with the introduction of a new social policy. Here, the important dimensions of the welfare state are employment protection, unemployment protection, and wage protection. From the employers' perspective, these are all intended to make workers more willing to invest in firm- and industry-specific skills that increase their dependence on employers and their vulnerability to market fluctuations. Workers will only make such risky investments when they have some assurance that their job or income is secure. In short, social protection aids the market by helping economic actors overcome market failures in skill formation (Estevez-Abe, Iversen, and Soskice 2001).

The employer-centered literature rightly views as problematic PRT's notion that capital and labor are locked into a zero-sum conflict concerning the presence or absence of social policies—both may press for some form of social program, depending on the circumstances, just as both may resist them. However, the employer-centered approach, and especially its VoC variant, runs into three problems. First, unlike PRT, it ignores power. Although it is true that sometimes capital and labor will share an interest in a particular institution, they will very often have different aims in regard to what form that institution should take. For example, deeper empirical work (Nijhuis 2009; Emmenegger and Marx 2011; Paster 2012) has recently shown that business support for social protection is often driven more by capitalist fear of social unrest and an unstable social and political order than it is by a need to incentivize skill investments. Second, the VoC approach lacks the concepts necessary to explain institutional change over time (Schmidt 2002; Deeg and Jackson 2007). For instance, Hall and Soskice's (2001) ideal-typical characterization of coordinated- and liberal-market economies suggests a tight coupling between the function of an institutional system and the kinds of social policies that will be generated within it. Unfortunately, these static models cannot tell us why or how pensions transformed in the United States so drastically since the New Deal period. Finally, although VoC scholars emphasize that employers are the chief agents within capitalist social relations and in turn want to focus on their preferences, they do not actually focus on how capitalist social relations themselves constrain policymaking. This is a principal task of this book. I now explore some of the ways capitalism has been foregrounded in previous work on the welfare state and show that the distinct analytic strategies available to researchers that explore the capitalist context carry both strengths and limitations.

Crisis Management and the Welfare State

Each of the strands of research just described implicitly dismisses or deemphasizes a core proposition of the crisis management theories of the welfare state developed in the early 1970s—that the welfare state, at its most basic level, is a political response to crises in the capitalist economy. This notion was articulated most forcefully by Frances Fox Piven and Richard Cloward's (1971) *Regulating the Poor*, James O'Connor's (1973) *The Fiscal Crisis of the State*, and Claus Offe's (1984) *Contradictions of the Welfare State*.[6] Though each work articulates this argument in its own way, they share the view that the capitalist context fundamentally structures policymaking. This point has been nearly lost in the contemporary debates about the welfare state.

The crisis management approach argues that the state is compelled to mediate crises in capitalism in order both to create and to maintain conditions for capitalist accumulation, emphasizing the ways that social policies made labor markets more workable for capitalist firms. For both O'Connor and Offe the fundamental crisis in contemporary capitalism is not one of *production*, as underconsumption theory or Karl Marx's (1977, vol. 3) falling rate of profit in *Capital* presaged, but rather *legitimation*.[7] In the late 1960s and early 1970s, these theorists calculated that the primary way in which capitalist relations were breaking down were social and political rather than technical and economic.[8] In particular, they were concerned with how, as capitalism developed, accumulation "created its own gravediggers" making fortunes for some and disorder and precarity for others.[9]

In advanced capitalist democracies, this structural constraint is the source of a fundamental contradiction between capitalism and democracy. For both O'Connor and Offe, the capitalist state is tasked with the impossible burden of fulfilling two functions that are often at odds with one another. First, states need to spur on and facilitate capitalist accumulation; that is, economic growth, productivity gains, and growing corporate profits. Second, they need to be seen as legitimate in the eyes of the electorate, as measured through the approval of their governing decisions by voters.[10] According to O'Connor (1973:6), "This means that the state must try to maintain or create the conditions in which profitable capital accumulation is possible. However, the state also must try to maintain or create the conditions for social harmony. A capitalist state that openly uses its coercive forces to help one class accumulate at the expense of the other classes loses its legitimacy and hence undermines the basis of its loyalty and support."[11]

Their view contrasts sharply with more pluralist understandings of politics, views that are often implicit in the literature on welfare states. As O'Connor (1973:67) writes, "Interest-group politics is inconsistent with the survival and expansion of capitalism." For O'Connor, the interest group model of policymaking explicit in pluralism would lead to contradictory policies and make planning and guiding the capitalist economy as a whole impossible for the state. Instead, there needs to be a systematic bias in favor of accumulation, and therefore, the capitalist state needs to be run by "class-conscious politicians" with long time horizons regarding the management of the economy. Policymakers, for O'Connor, have to "remain independent" while also interpreting "class (as opposed to particular economic) corporate interests and translate those interests into action" (68). Enacting welfare programs was one particular way that policymakers did this. For the crisis theorists, creating agencies and programs for the poor functioned to "control the surplus population politically" and to obvert the "tendency toward" legitimation crisis (69).

Offe also identifies the more specifically economic function of welfare, the need to incorporate displaced labor into the labor pool. Here, he builds on Marx's (1977) insights concerning primitive accumulation and the idea that the "rising bourgeoisie needs the power of the state" to "keep the worker at his normal level of dependence" (899–900). Offe (1984:92) writes that "social policy is the state's manner of effecting lasting transformation of non-wage labourers into wage-labourers. . . . The process of capitalist industrialization is accompanied—and by no means only at its historical origins, when the phenomena is especially evident—by the disorganization and mobilization of labour power."[12] He goes on to say that "understood this way, social policy is not some sort of state 'reaction' to the 'problem' of the working class. The most decisive function of social policy is its regulation of the process of proletarianization" (98). In addition to political unrest, capitalist states are compelled to incorporate labor into the supply side of the market, mitigate risks that are not subsumed in the wage-labor relationship, and govern the labor market, regulating supply and demand.

Focusing specifically on welfare relief for the poor in the United States, Piven and Cloward (1971) came to a similar conclusion. Starting from the premise that "change and fluctuation" in the level of employment opportunities are "chronic features of capitalism," driven by depressions, migrations of large populations, or changes in the structure of the economy itself, they argue that the economic dislocation endured by people at the bottom of the labor market alongside the weakening of social control during downturns in the economy is a driver of civil disorder—crime, riots, and protests, and shifts in voter preferences (5–10). Relief deals with the disorder of the poor by granting help on the condition that people on the rolls seek work (22). In periods when the disorder has subsided and the economy swings back up, social policies are contracted, ejecting the recipients needed to refill the labor market. But the relief system is rarely rolled back entirely. For Piven and Cloward, it endures because it serves a broader social control function. Associating welfare recipients with the stigma of being a recipient, welfare relief makes pariahs of those unable to fend for themselves on the labor market alone (34).

Reformulating the Crisis Management Approach

Crisis management theorists offer two insights into policymaking and the welfare state that I draw on to understand the development of pensions in the Unites States. They foreground the capitalist context in which many policymakers act and are in turn constrained. Yet, left on their own they offer only an incomplete view. The crisis management theories that emerged in the 1970s need to be modified. First I identify their central propositions, then I offer three provisos.

Two Propositions

The first proposition of these scholars is that the capitalist context structures the decisions made by policymakers. The capitalist context is not a mere backdrop to politics. Instead, it imposes constraints on policymakers, pushing them away from certain policy paths and ushering them down others.[13] This view contrasts sharply with the more common views of policymaking by suggesting that politics of social policy change is neither the straightforward result of partisan politics (e.g., Democrats or Republicans gaining or losing control of key policymaking