

Twenty Years On: Paul Pierson's *Dismantling the Welfare State?*

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Twenty years on, Paul Pierson's book *Dismantling the Welfare State* has earned the stature of a classic text in our discipline. In rereading the book recently, I was struck by how innovative it was for its time, starting with its substantive contribution: when it was written, scholars were still trying to make sense of the *creation* of the welfare state, never mind efforts to dismantle it. Along comes Pierson, examining what were then very recent political events by applying the analytical framework of historical institutionalism (Pierson 1994). This was truly novel when the book was published and remains a cutting-edge approach: we are still learning how analytical lenses for probing political change and development can help us to understand not only past but contemporary politics as well.

Pierson focused on public policy, taking a general observation that others had made—that policies, when created, shape politics—and developed it into an analytical framework. He proposed specific mechanisms through which such feedback dynamics might operate and advanced expectations to be investigated empirically. This approach enabled him to trace policy development over time, offering attention to the details of policy structure or design and to the political support engendered by policies, all in the context of a richly comparative study of both the United States and United Kingdom. He managed to accomplish this in a relatively slender, very readable volume, which leaves the reader not only far more informed about welfare state politics of the 1980s, but also fortified with insights that can be usefully applied to numerous other cases.

In the following text, I elaborate first on each of these contributions and their value, note the productive avenues of scholarly inquiry that have emerged from them, and suggest where substantial untapped potential still remains. In the course of this, I identify some ways in which Pierson's conclusions have been challenged by subsequent research, although I hasten to add that our longer view on this period today makes such qualifications more obvious, and also that it is Pierson's pioneering efforts that have made the work of us latter-day critics possible. I also advance a new direction for inquiry, one firmly grounded in Pierson's insights, by discussing the concept of the policyscape and how it may help us to understand contemporary political development.

CONTRIBUTIONS

Dismantling the Welfare State challenged a prevailing analytical approach that focused solely on the impact of formal institutional arrangements—the US presidential system and

separation of powers or the UK's parliamentary system, for example. Pierson turned attention to how, in the contemporary political world, “inherited policy structures” themselves function like institutions: they reshape politics, and in the process, affect the subsequent course of policy development. This occurs as policies generate constituencies of supporters, whether they be individual citizens who have become devoted beneficiaries and policy advocates, or interest groups that rally to protect and defend existing arrangements. It also happens because existing policies alter public officials' calculus: their efforts to scale back popular programs present political risks and require obfuscation and other such strategies if they are to succeed.

Pierson's analytical approach enabled him to illuminate why the bold efforts to scale back the welfare state taken on by President Ronald Reagan and Prime Minister Margaret Thatcher were met with considerable challenges, such that both the United States and the United Kingdom emerged from the 1980s with their major social programs, if somewhat shaken, still largely in place and even bolstered. He showed that retrenchment happened only in instances in which particular policies, owing to their structure, had not attracted much constituency support, thus making it easier for reformers to alter them dramatically. As a result, Social Security remained very much intact in the United States, as Reagan's efforts to trim it led to a backlash and the mobilization of senior citizens. By contrast, Thatcher had an easier time scaling back pensions. Among income support programs, the success of those in the United States depended on whether they left considerable authority to the states—making them more vulnerable to cuts—or to the national government, in which case they remained stronger. These features mattered more than the old dichotomy of universal versus means-tested, Pierson notes; in fact lawmakers enlarged means-tested programs in the tax code, most notably the Earned Income Tax Credit, even as they weakened Aid to Families with Dependent Children (AFDC).

SCHOLARLY LEGACIES

Dismantling the Welfare State generated two dynamic and continuing streams of scholarly analysis: policy feedback and policy development. Theda Skocpol, in her book *Protecting Soldiers and Mothers*, advanced the idea that policies created earlier affect politics later through feedback effects (1992, 57–60). Pierson furthered these ideas by distinguishing between mechanisms—both resource effects and informational and learning effects—through which policies affect the

political involvement and demands of both interest groups and individuals (Pierson 1994, 39–50; also see Pierson 1993). His explanation for the extent to which policy change occurred in the 1980s involved nuanced treatment of the interaction between institutional arrangements and these policy feedback effects.

The focus on how policies shaped the political attitudes and involvement of the mass public offered an area ripe for inquiry because scholars could readily create testable hypotheses by drawing on existing knowledge in the well-developed literature on political behavior and integrating it with theoretical expectations others had advanced about policy design. We have since learned, from Andrea Louise Campbell, about the mechanisms through which Social Security and Medicare generated participation; and from Joe Soss, about why Social Security Disability Insurance engendered confidence in recipients that government was responsive to people like them, but why AFDC did not (Campbell 2003; Soss 1999). The approach enabled me to examine the World War II GI Bill, and to find why it was the veterans who used the education and training benefits who became more politically engaged than those who did not (Mettler 2005). It also permitted me to consider the feedback effects of contemporary tax expenditures relative to more visible social programs and to explain why Americans are more cognizant of the government's role in the latter rather than the former (Mettler 2011). Recently Vesla Weaver and Amy Lerman have shown how experiences with the criminal justice system depress individuals' political participation (2010). Numerous other studies have examined a wide array of such effects and have been summarized in syntheses of the literature (Campbell 2012; Mettler and SoRelle 2014; Mettler and Soss 2004).

We still have much yet to learn about policy feedback effects at the individual level. Newer studies incorporate greater methodological sophistication, particularly with the aim of limiting selection bias. Greater capacity to deal with such challenges will require new kinds of data, such as that derived from panel studies that can permit us to analyze

Fewer studies have taken up Pierson's call to examine how policies reshape the activity and demands of interest groups, with subsequent effects for public policies. Several studies make note of these connections. For example, Jacob Hacker's *Divided Welfare State* showcases how government-sanctioned, employer-provided benefits became associated with the powerful private insurance lobby. In my work on higher education policy, I have detailed the emergence of what was for many decades a powerful student loan industry and more recently, the for-profit college industry (Hacker 2002; Mettler 2014). Yet perhaps most striking is the lack of sustained attention to this theme, particularly among scholars of interest groups, despite the fact that Jack Walker in 1983 noted that many groups "sprang up *after* the passage of dramatic new legislation that established the major outlines of public policy in their areas," concluding that in such instances, "the formation of new groups was one of the *consequences* of major new legislation, not one of the *causes* of its passage" (1983, 403). Recent scholarship points to the proliferation of powerful, moneyed interests in Washington, DC (Schlozman, Verba, and Brady 2012). In order to understand how power operates in contemporary politics, we need to understand better the relationships between these groups and the public policies that sustain and promote them.

The second major stream of research flowing from *Dismantling the Welfare State* concerns policy development, examining how policies, after they are established, unfold and transform over time. Political scientists typically study the moment of policy creation, but the processes that follow are typically just as political, complex, and consequential for how policies evolve and their eventual impact. During the past two decades, Americanists and comparativists alike have pursued this agenda and produced analytically rich and substantively valuable studies. Eric Patashnik undertook his major study of policy durability, examining the determinants of those policies that proved to be sustainable over time compared to those that become undermined, whether through legislative fiat or slower-moving changes in their scope or effectiveness.

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change over time. We also need data on citizens' experiences of a wider array of public policies, so that we can isolate and compare policy effects on behavior and attitudes across them. Such data will enable scholars to more clearly specify the mechanisms that explain feedback effects, examining them with the methodological rigor typical of political behavior research. Further research should explore the impact of public policies not only on recipients themselves, but also on broader mass publics. A panel study that Larry Jacobs and I are conducting, which examines the impact of the Affordable Care Act on citizens' attitudes about health care reform and government and their political participation, aims to advance these goals.

He argued that policies that successfully reconfigure the political dynamic in ways conducive to their success are most likely to endure. This occurs if they spur the development of supportive legal and administrative political structures, positive policy feedback, and market forces that facilitate policy goals (Patashnik 2008, 25–33, 155). Patashnik's analytical approach picks up where Pierson's leaves off, but the longer time frame and wider array of policies examined in his study likely explain why he finds policies often to be more tenuous and vulnerable creations; the best-laid legislation can easily go awry after the ink is dry on the president's signature.

Other scholarship on policy development has also deviated from Pierson's emphasis on "lock-in" as the typical outcome

for social programs up against the forces of retrenchment. Later studies, undoubtedly benefitting from the longer time that has passed to assess the enduring effects of the shift to conservatism, have highlighted the myriad processes through which policies can gradually grow weaker and less capable of realizing their original goals. Jacob Hacker pointed to the dynamics of “drift,” meaning that changes occur in the operation or effect of policies even as their basic structure remains intact because circumstances change in the external environment and lawmakers fail to update policies accordingly. Private health insurance, although still formally in place, contracted in the percentage of the workforce it covers. Lawmakers failed to update policies to respond to new and growing social risks, such as economic insecurity owing to changes in the workforce and the rise of single-parent families (Hacker 2004). Kathleen Thelen and Wolfgang Streeck directed attention to “incremental processes of change” that add up to produce transformative results over time, highlighting

that were created in the past, or what I call the *policyscape* (2014, 14–17, 40–42). These policies take on the characteristics of institutions, generating feedback effects of their own and shaping, in turn, subsequent policy development. The American state today cannot be understood without acknowledging the policyscape, as it affects the political agenda, the resources available for governance, and the terms of debate, among other things. The policyscape of the late twentieth and early twenty-first century is analogous to what Stephen Skowronek has called the “state of courts and parties” of the nineteenth century: it establishes the state’s “effective mode of operations,” and provides the “working rules of behavior” that guide “the actions of those in office” (Skowronek 1982, 24). The policyscape directs (and limits) the scope and content of public officials’ activities through its budgetary commitments and constraints, its established configurations of governing capacity, and its routine procedures and norms that are solidified in policies and their implementation.

I argue that today we live in a landscape cluttered with existing policies that were created in the past, or what I call the policyscape.

mechanisms such as displacement, layering, and conversion. Collectively, these scholars show that even policies that have remained formally intact over recent decades no longer provide the degree of income security or economic opportunity they once did (2005, 8).

THE POLICYSCAPE AND POLICY MAINTENANCE

If we assess the condition of the US welfare state today, nearly 35 years after Reagan’s election to the White House, it appears untouched by the anti-government ethos that emerged at that time and has persisted since, most recently through the activism of the Tea Party. Consider that most social and educational programs that existed in the 1980s remain in place today and that some have been expanded in coverage or benefit levels. Lawmakers have also created numerous new social benefits in the tax code and extended health coverage and protections to working-age adults through the Affordable Care Act. Yet meanwhile, economic inequality has grown dramatically; educational opportunity at the college level is flagging at best; and generally speaking, government manages to do less than in the past to protect workers’ position in the workforce. These circumstances leave US social programs in a paradoxical situation that contains elements of both the enduring constancy that Pierson described but also the deterioration and inadequacy that subsequent studies have identified. Given this paradox, it is useful to continue on the intellectual path pursued by each of these scholars, aiming to illuminate other political processes and policy outcomes that have ensued from recent and contemporary policy feedback and development.

In my book *Degrees of Inequality: How the Politics of Higher Education Policy Sabotaged the American Dream*, I argue that today we live in a landscape cluttered with existing policies

A hallmark of the policyscape is that it requires maintenance. Policies can easily deviate over time from their intended purposes, not only because of the changes in the external environment that Hacker has illuminated (“drift”), but also because of dynamics internal to the policies themselves. First, some policies prove to be more sustainable than others because of characteristics of *policy design*. For example, benefits for some policies increase automatically, if, like Social Security, they are subject to cost-of-living adjustments, or, like tax expenditures, they do not require budgetary outlays and instead vacillate with factors such as the cost of real estate or health care. Others, such as food stamps, require Congress to engage in the complex and contentious budget process to increase benefit levels, and are therefore more prone to deterioration.

Second, policies may also engender *unintended consequences* by affecting the environment in ways that derail them from their basic purposes. For example, policies may influence market actors who perceive the opportunity to benefit from available government funds or ways to circumvent government rules. Such industries, to the extent that they mobilize politically to promote their interests, may generate perverse policy feedback effects at odds with the needs of the general public. For-profit colleges have seized the opportunity to benefit from government student aid ever since the creation of the first GI Bill; today, they enroll only one in 10 college students but utilize one in four student aid dollars. Only one in five students graduate, but a high percentage—one in four within just three years of graduation—defaults on their loans. Many of these students end up financially worse off than if they had never enrolled. These outcomes, although formally within what the law permits, undermine the purpose of expanding opportunity, and do so at taxpayer expense and

by threatening the sustainability of student aid for those who attend institutions with far better records.

Third, policies may become subject to *lateral effects*, their sustainability affected by other unrelated policies. For example, policies may compete with each other for funding, and discretionary ones may fare poorly compared to those for which continued funding is required by law. Such effects have disadvantaged state-level aid for public universities and colleges, the largest discretionary item in state budgets, as mandatory spending for Medicaid, K–12 education, and incarceration have consumed greater amounts over time (Mettler 2014).

Owing to the confluence of such dynamics, policy maintenance amounts to a major responsibility for elected officials today: they must evaluate how policies are operating and make adjustments in design or redirect effects to curtail problematic developments. The capacity of elected officials to do this, however, varies over time with the political context. Policy maintenance requires lawmakers who support the basic purposes of existing policies and have the capacity and expertise to work together to reform them as needed. Therefore, we cannot investigate policy dynamics in isolation; we need to assess policies' interaction, or fit, with politics. Whether policies prove to be sustainable depends not only on policy design and feedback, but also on the political context.

Congresses with large majorities of Democrats created much of the polycscape, and as long as their party held filibuster proof majorities, their task in maintaining it was relatively easy, not the least because many policies were still fairly new creations. Higher education policies began to deteriorate and go awry in the 1980s as they aged and more unintended consequences began to crop up. Divided government emerged, but given the large percentage of moderate, reform-minded members in the Republican Party, bipartisan efforts to manage the polycscape remained possible. Since the 1990s, however, the Republican Party has lost such members and partisan polarization has grown. This altered environment makes for a particularly bad match for the demands of the polycscape. As a result, numerous laws are long overdue for formal reauthorization, and many others for basic reforms that will permit their continued functioning or restore their basic purposes.

Returning to *Dismantling the Welfare State*, readers can find that in many ways Pierson anticipated my argument here. He spoke of “inherited policy structures” and how they operate as institutions, an idea that could be viewed as a precursor to the polycscape concept. He also noted, “Policy characteristics rarely operate in isolation from features of the broader environment...the impact of policies is likely to occur in interaction with other variables” (171). As this point makes apparent,

Dismantling the Welfare State represents a pathbreaking accomplishment, one that shaped the thinking of a generation of scholars and continues to propel productive research on policy feedback and policy development. To borrow a term used in the book, it has generated a sort of scholarly “lock-in,” one of great value to our understanding of public policy and politics. ■

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