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## American Exceptionalism Reconsidered: Culture or Institutions?

SVEN H. STEINMO

America is one of the world's richest nations, yet its government takes a smaller percentage of this wealth than does any other democratic government in the world. I believe that the most obvious and common explanation for America's exceptionally small state—that we have a uniquely individualistic political culture—is wrong. It is clearly true that the rhetoric and symbolism of individualism is particularly strong in America. And it is also true that Americans are increasingly skeptical of their public institutions. I do not think, however, that these values and attitudes explain the size and structure of America's welfare state.

This chapter will present an institutionalist explanation for this country's small welfare state. I will suggest that the fragmentation of political power in America biases the political system in favor of certain kinds of interests and strategies, while it disadvantages others. This fragmentation profoundly shapes who can effectively participate in politics, how they must be organized, and what is possible to achieve—*irrespective of our ideologies or values*. I argue further that the fragmentation of power and authority has stripped our political system of efficacy. When American governments do act, they too often act badly. In short, Americans have come to distrust their government because it doesn't work very well.

### POLITICAL CULTURE AS AN EXPLANATORY VARIABLE

The cultural explanation for American exceptionalism is both plausible and logical: America is a country founded by immigrants who sought to escape oppressive governments. These people, moreover, were the most individualistic and entrepreneurial members of the societies they left. Thus America was built on antistatist beliefs and attitudes, on an unwillingness to defer to authority, and with emphasis on liberal freedoms and

values. Due to these political-cultural assumptions, Americans are simply more individualistic, resistant to accepting state intervention in their society, and unwilling to let the government step in the way of the private market. In fact, "the state plays a more limited role in America than elsewhere because Americans, more than other people, want it to play a limited role" (King, 1973b:418).

I believe, however, that using political culture as an explanatory variable poses several thorny analytic issues. Generally, political cultural explanations tend to be highly static. The power of this theory, for example, lies in large part in its elegance: America is different because it has always been different. Although this simplicity makes an intuitively appealing proposition, it also leaves much to be explained. First, the liberal traditions explanation fails to either explain or account for political change. Secondly, in that political cultures consist of a mix of often contradictory or competing ideas and values, culturalists fail to provide a convincing explanation for why certain parts of the political culture become dominant in certain times or policy arenas, while others are more prominent elsewhere. Finally, proponents of this approach tend to be quite vague about the causal mechanisms at work when evoking political culture as an independent variable. It is not enough to know that Americans hold different beliefs or world views than other peoples; we also need to understand how these beliefs are translated into real policy choices. Given all these problems, perhaps we should not be surprised that political culture can be used to explain an enormous variety of different outcomes (Elkins and Simeon, 1979).

These flaws, when added together, force us to reject political culture as an explanation for American exceptionalism. I will instead suggest that the institutionalist approach provides a more compelling account for the exceptional character of American politics and policies. I will not argue that American political culture is the same as that of other industrialized democracies; rather, I suggest that cultural differences do not provide an adequate explanation of political differences between nations. An institutional account, in contrast, can explain both how and why particular policies are chosen at particular moments in political history as well as show why certain patterns tend to persist within nations over time.

### Cultural Change

The static quality of the liberal exceptionalism explanation is in some ways quite surprising given the historical emphasis and analytic traditions of the central proponents of this argument. Still, as it is normally conceived, the liberal traditions argument is profoundly ahistorical. The argument is essentially that the United States began with a liberal political culture and that the ideas ensconced at that time continue to shape political debate and public policy today. Again, this explanation can be intu-

itively quite appealing. But if we begin to think through the analytic logic of this explanation we are forced to question the mechanisms supposedly at work here. What is the mechanism for the transmission and continuation of a political culture? Culturalists do not, of course, simply argue that each generation simply passes a set of fixed beliefs down to the next; their argument is substantially more sophisticated. In one of the most interesting attempts to defend culturalist theory against charges that it is too static,<sup>1</sup> Harry Ekstein tells us:

Culturalists proceed from a *postulate of "cumulative" socialization*. This means two things. First, although learning is regarded as continuous throughout life (which is not likely to be questioned) early learning—all prior learning—is regarded as a sort of filter for later learning: early learning conditions later learning and is harder to undo. Second, a tendency is assumed toward making the bits and pieces of cognitive, affective, and evaluative learning form a coherent (consistent, consonant) whole. (1988:791)

In short, what we learn from our family and in our early years growing up profoundly shapes our perceptions of the world and our understanding of our experiences in later life. Thus, basic values and attitudes about things like self-reliance, individuality, and respect for and deference to authority are learned early in life and can act as filters through which we interpret our world as adults. Precisely because these cultural values are general and not specific interpretations they can be handed down from one generation to the next.

Although the continuity suggested in this explanation is appealing, it also engenders suspicion. Is it reasonable to expect that these basic interpretive filters are handed down through multiple generations without being adapted, changed, or even fundamentally altered over the course of history?<sup>2</sup> Explicitly recognizing this weakness in cultural theory, Ronald Inglehart, in his most recent book, *Cultural Shift in Advanced Industrial Societies*, examines changes in political culture in postindustrial society. Not only does he discover that cultures do change, but he also suggests a mechanism which should make us rethink the static quality of the liberal exceptionalism argument. He tells us that while generational learning is clearly important, "a people's world view does not depend solely on what their elders teach them; rather it is shaped by their entire life experience, and sometimes the formative experiences of a younger generation differ profoundly from those of previous generations" (Inglehart, 1989:4).

The point here is that values, culture, and attitudes *change with experience*. Thus, it cannot be enough to say that America is a nation founded on a set of liberal values and *therefore* we hold those values today (and therefore we have a small welfare state). To the extent that we find strong liberal and individualistic tenets in American political culture in the late

twentieth century one needs to explain more than their origins. We need to also understand what it is about the American experience that has encouraged Americans to reinterpret these general values into antistatist policy preferences.

#### *Which Values? Whose Values?*

Any nation's political culture obviously contains a mix of different values, beliefs, attitudes, and so on. Seymour Martin Lipset, one of this country's most astute students of American political culture, depicts this culture as follows: "The United States is organized around an ideology which includes a set of dogmas about the nature of a good society. ... That ideology can be subsumed in four words: anti-statism, individualism, populism, and egalitarianism" (Lipset, 1991:16). The conflicts between the constituent parts of American political culture present several problems for culturalist explanation. First, as Russell Hanson points out in Chapter 6, in a country as large and diverse as the United States, different values can appear dominant in different parts of the country at different points in history. Hanson's essay very convincingly shows us that American Social Security policy was not the product of the predominance of liberal values in the United States, but instead was more reflective of traditionalist values of a particular segment of American society. By citing Piven and Cloward—"The South was nothing less than triumphant in shaping the nation's social welfare policy"—Hanson reminds us to ask the question, *Whose values?* even if we accept the power of values in an explanatory model (cited in Hanson, 1993:35).

In my view, this problem represents the tip of an intellectual iceberg for culturalist theory. As Hanson shows, all complex polities consist of different people with different values, orientations, and ways of interpreting the world. The United States in particular presents a confusing and complex conglomeration of cultures. Even to the extent that it is now true, as Michael Thompson, Richard Ellis, and Aaron Wildavsky (1990) have recently suggested, that the American polity is dominated by "individualists" and those who hold the competing hierarchical or communitarian cultures are subordinate, we can still wonder why. If there are competing cultural interpretations of the world even within the United States, what explains the fact that one culture is dominant? In other words one could agree that values are important for politics but still question why a particular set of values appears to be winning.

The majority of those analysts who have examined American political culture have specifically argued that ours is a mixed bag. In their superb empirical examination of American public values, *The American Ethos*, Herbert McClosky and John Zaller argue that it is precisely the conflict between liberal and egalitarian values that defines American political culture. It is worth citing at length from their book:

However vital the roles of democracy and capitalism have been in American life, not all of the values incorporated into the ethos are mutually consistent and harmonious. Value conflicts, after all, are endemic to all complex societies, including the United States. Among the most important of these, as we have suggested, are the conflicts that arise from the differing perspectives of the two traditions. Capitalism is primarily concerned with maximizing private profit, while democracy aims at maximizing freedom, equality, and the public good. From this difference, others follow. Capitalism tends to value each individual according to the scarcity of his talents and his contribution to production; democracy attributes unique but roughly equivalent value to *all* people. Capitalism stresses the need for a reward system that encourages the most talented and industrious individuals to earn and amass as much wealth as possible; democracy tries to ensure that all people, even those who lack outstanding talents and initiative, can at least have a decent livelihood. Capitalism holds that the free market is not only the most efficient but also the fairest mechanism for distributing goods and services; democracy upholds the rights of popular majorities to override market mechanisms when necessary to alleviate social and economic distress. (McClosky and Zaller, 1984:7)

It is simply not the case that all Americans have always shared a common liberal antistate orientation. Indeed much of American history can be and has been interpreted as a conflict over which set of values would hold force. To the extent that liberal or antistate values or ideologies appear dominant at any point in time, we need to understand these as the products of powerful political struggles, not as if there were some massive, consistent, and overwhelming consensus dictating these values and attitudes.<sup>3</sup>

In a fascinating recent article, Richard Ellis (1992:827) shows that even the teachings of John Locke can and have been interpreted in radically different ways throughout American history. He tells us, for example: "Locke's notion that laws should secure to each man the fruits of his labor can be harnessed to competing cultural visions. It can be used by individualists to justify the right of each man to keep what he has acquired, but it can also be employed by egalitarians to attack large concentrations of wealth on the grounds that such holdings are not derived from productive labor."

Thus, even if Lockean liberalism has held some kind of special place in the hearts and minds of Americans, the substantive implications of these beliefs remain far from clear. Indeed, radical egalitarians from Thomas Paine to the Populists either echoed or directly borrowed from Locke's ideas on private property: "A Lockean consensus on private property does not, in short, translate into a consensus on a competitive individualist way of life. That egalitarians in the United States only infrequently reject private property in favor of collective ownership should not obscure

the strength of egalitarianism in this country nor the often thoroughgoing nature of their critique of competitive capitalism" (Ellis, 1992:844).

### *Can Culture Explain Policy?*

Most culturalists readily agree that cultural predispositions are not clear or unambiguous guides to public policy.<sup>4</sup> Indeed, quite the contrary: "The values of the ethos, however, are not in themselves sufficient to determine policy. The values of capitalism and democracy, as usually stated, are too general and abstract, and too often in conflict with one another, to provide more than general guidance on specific issues" (McClosky and Zaller, 1984:12).

Early in the century national health insurance (NHI), for example, was widely defended with an argument quite similar to that used to support the extension of free public education, that is, that it supported the vaunted American value of equal opportunity. The failure of the early versions of NHI had more to do with interstate competition, the medical industry's opposition, Congressional deadlock, and financial constraints, than with public preferences or values (Poen, 1979; Brown, 1979; Marmor, 1970). Only after an enormous public relations campaign financed by the American Medical Association in the 1940s and 1950s, did NHI become tagged with the un-American label "socialized medicine." This massively funded public relations campaign worked. Since the late 1940s, those who have labored for NHI have, in effect, been saddled with defending an "un-American" program, albeit one which is "necessary anyway" (Marmor, 1970). In short, free public education succeeded and became as American as apple pie, while health care became associated with an intrusive state—but not because of fundamental differences in these two types of policies. Instead, private education did not have a wealthy and powerful organized interest group that could use the checks and balances of the American political system to veto this legislation.

If the ethos, ideology, values, or political culture are vague and even contradictory guides to particular public policy outcomes, is it reasonable to argue that these are independent variables which can explain the peculiar nature and structure of the American welfare state as a whole? I think not. In sum, while the liberal traditions argument is intuitively appealing, closer examination proves it inadequate. In the following sections of this chapter I will present an explanation for American exceptionalism, which in my view is substantially more convincing.

### HOW EXCEPTIONAL IS AMERICA?

The first thing that we have to understand about the modern American welfare state is that it is not all that different from its European counterparts. We need to be conscious of this point or our explanations may go

affield by explaining too much. It is not the case that other democracies have created massive social welfare programs that have never been attempted or considered in the United States. It is not the case that other democratic governments intervene in the society or the economy in ways fundamentally different than the American government does. Nor is it the case that other democratic states address problems that American governments simply ignore. It is instead the case that American governments (I mean to emphasize the plurality of governments in the United States) have taken somewhat different approaches to public policy problems than have most European governments. American governments tend to spend somewhat less, and do somewhat less, to address the social and economic problems faced in all advanced industrial nations.<sup>5</sup> American governments do provide public housing, public health, public education, and direct financial assistance to the poor, the aged, the disabled, and the unemployed, but these programs tend to be less well-funded<sup>6</sup> and less comprehensive than those typical in European countries.

It is also easy to overstate and oversimplify the differences between European and American public attitudes and preferences. While it is quite clear that Americans today hold a general distrust of their government, it is far from clear that this distrust has been consistent over time or that this distrust has always been greater in America than elsewhere. The Progressive Era, the New Deal, and the 1960s are each examples of periods when great masses of Americans rose demanding state intervention in the society and the economy. Moreover, it is far from clear that citizens of other democracies have an abiding and enduring trust in their states as is often implied by American scholars. Indeed, as recently as the 1960s Americans showed they trusted their government to do the right thing more often than citizens in most other democracies.

While Americans do hold more negative attitudes toward "welfare" as a general survey category than is typical in most European states (Coughlin, 1980), it is not true that they oppose specific social welfare programs. On the contrary, as Table 5.1 demonstrates, when asked about specific social welfare programs, the majority of Americans wants to see them expanded or maintained and does not favor cutting them back.

Interestingly, as Table 5.2 indicates, the proposition that citizens generally want to maintain, but not massively expand, the particular social welfare programs they have at any given time holds for Swedes as well as Americans.

We might question whether Americans have opposed the introduction or expansion of social welfare programs in the past, when Europeans have historically demanded them. Once again, the data do not support this assumption. As Hugh Hecló's (1974) detailed analysis of the development of social welfare programs in Britain and Sweden has shown, these programs have been introduced in Europe by political and administrative

TABLE 5.1 Public Support for Increasing, Maintaining, or Decreasing Benefits for Seven Social Welfare Programs in the United States, 1986

	Percent of Respondents Who Say Program Benefits Should Be		
	Increased	Maintained	Decreased
Medicare	67.6	29.9	2.5
Supplemental security income	57.3	40.0	2.7
Social Security	56.7	40.0	3.3
Medicaid	47.1	46.3	6.6
Unemployment compensation	31.5	55.5	13.0
Aid to families with dependent children	32.6	51.9	15.5
Food stamps	24.6	51.0	24.4

Source: Adapted from Fay Lomax Cook, "Congress and the Public: Convergent and Divergent Opinions on Social Security," in Henry Aaron, ed., *Social Security and the Budget* (Lanham, Md.: University Press of America, 1988), p. 86.

TABLE 5.2 Attitudes Toward Social Program Expenditure, Sweden, 1982

Revenues from taxation are used for different purposes. Do you consider that the amount of money used for the purposes mentioned on this card should be increased, remain unaltered, or decreased?

	Increased	Remain Unaltered	Decreased	Don't Know/ Won't Answer
Medical and health care	45	50	3	2
Support for the elderly	30	67	1	2
Support for families with children	31	55	12	2
Social assistance	16	58	21	5
Housing allowances	13	46	36	5

Source: Adapted from Axel Hadenius, *A Crisis of the Welfare State? Opinions About Taxes and Public Expenditure in Sweden* (Stockholm: MiniMedia AB, 1986), p. 85.

elites in their efforts to solve particular public problems and were not the product of specific demands for particular programs or solutions.

Table 5.3 illustrates another dimension of this issue. It shows that for most of the past two decades the majority of Swedish citizens has been opposed to the expansion of social assistance. In this period, however, the Swedish welfare state has exploded—to the point where it is widely regarded as the most generous welfare state in the entire world. During this period, public spending rose from less than 30 percent of gross domestic product (GDP) to more than 50 percent of GDP.

TABLE 5.3 Support for Social Assistance in Sweden, 1960–1979

*Social reforms have gone so far in this country that in the future the government ought to reduce rather than increase allowances and social assistance.*

	1960	1964	1968	1970	1973	1976	1979
Agree	60	66	46	62	65	65	71
Disagree	40	34	54	39	35	35	29

Source: Walter Korpi, *The Democratic Class Struggle* (London: Routledge and Kegan Paul, 1983), p. 203. Reprinted by permission.

The liberal traditions argument *assumes* that the difference in public output between the European and the American welfare state is a product of the fact that Americans want different policies than Europeans. But in reality there seems to be very little linkage between public attitudes toward specific programs and program development. Some culturalists even admit that: “[T]he American mass public seems to differ hardly at all in this connection from mass publics of other countries. The evidence on this point is, for once, abundant. ... the state’s comparatively limited provision of social services in the U.S. is not readily attributable to differences in public opinion” (King, 1974b:412–413).

In sum, the American welfare state varies somewhat from most of its European counterparts, but it is very difficult to attribute the variation to clear and consistent differences in public attitudes or preferences. Indeed, as many scholars have shown, there is only a weak connection between public attitudes and specific policy outputs. What then, can explain the differences in policy outputs?

My argument is that the unique constitutional structure established over two hundred years ago pushed the United States toward a polity in which it has been exceedingly difficult to develop and maintain strong political parties, a mass Socialist, Labor, or leftist political movement, and comprehensive, universalistic social welfare policies typical in European welfare states. The result of this institutional fragmentation has been the fragmentation of political authority and responsibility on the one hand, and the proliferation of special interest politics on the other. America has developed a pluralist—even hyperpluralist—system of policymaking. This fragmented pluralist system and the enormous political power it yields interest groups is the reason we have a relatively underdeveloped welfare state.

#### THE CONSTITUTIONAL FOUNDATIONS OF AMERICAN EXCEPTIONALISM

*It is impossible to understand American society without seeing the formative influence of the Constitution upon it.*

—Martin Diamond, *The Founding of the Democratic Republic*

The delegates from the twelve ex-colonies represented at the Constitutional Convention in Philadelphia in 1787 were institutionalists. They believed that the institutional arrangements of a new union (if there was to be a union) would determine more than what kinds of interests would be advantaged or disadvantaged—decisions about these institutions would ultimately also determine what kind of society America would become. Diamond’s eloquent analysis of the thinking behind the construction of the United States Constitution reveals the following:

[The word “constitution”] derives from the Latin *statuere* which means to “set up” in the sense of giving a thing its essential and peculiar nature. ... In the ancient tradition, a constitution establishes the fundamental nature or genius of a political system; that is, a constitution is a people’s way of life. Thus it consists in the human ends towards which a particular system strives, both by virtue of its positive arrangements as well as by virtue of limits placed upon its rulers. ... And in these ways it shapes the very being of the society and forms the kinds of human beings who live there. (Diamond, 1981:99)

The elites who finally (albeit narrowly) agreed to the particular structure of the United States Constitution were thus ultimately agreeing to a vision of future citizens as well as to a certain design for our political institutions. Drawing from the writings of Montesquieu and Locke, these writers viewed the good society as one with a limited state that would promote liberal values. Montesquieu was particularly interested in the formative capacity of institutions on human nature. Both Locke and Montesquieu believed that limited government was an ideal to be strived for because only limited government could secure the maximum degree of individual freedom, “which was viewed as the highest human possibility” (Diamond, 1981:99).

Not all participants in the Convention, or for that matter, activists in the subsequent debates over ratification, held identical philosophical positions. Quite the contrary, as many constitutional scholars have shown, there was very dramatic conflict over what kinds of institutions should be constructed—in other words, there was deep conflict over what kind of society should be built (Main, 1962; Jillson, 1988; Beard, 1913; J. Smith, 1965). It is widely accepted, moreover, that the particular institutional structures finally agreed to were compromises between various interests (farmers versus industrialists, big states versus small states, and so on) as well as compromises over fundamental ideas about what type of society America should become (liberal versus communitarian, egalitarian versus hierarchical, and so forth). It should be stressed, however, that irrespective of the hallowed position the Constitution now holds in the hearts of Americans, it was not a tablet handed America from heaven and agreed to with acclamation by the whole of society.

Through a long series of hard-fought compromises, the framers of the Constitution finally agreed to a system, which was in James Madison's words, "in strictness neither a national nor a federal constitution, but rather a composition of both" (Madison, Hamilton, and Jay, 1937, *Federalist No. 39*). The key compromise for the new republic was that it was to have a large nation with free trade between states, but at the same time political sovereignty would be constitutionally divided and national power would be severely limited. These basic compromises were not what either the Federalists or the Anti-Federalists had hoped for, but this was the best compromise that these men could achieve, given the very large divisions between them at the time. These compromises, however, had enormous implications for how this nation would adapt to the challenges of a modernizing society and economy more than a century later.

#### *Adapting the Constitution to the Modern World*

Nothing could have prepared either European or American political elites at the end of the eighteenth century for the huge social and economic changes that their countries would undergo in the next century and a half. During this period, modernizing countries changed from being mostly rural and agricultural to becoming increasingly urban and industrial societies. Modernization brought with it new demands for the expanded involvement of the state in society in all modernizing countries (Ashford, 1986; Rimlinger, 1971; Flora and Heidenheimer, 1977; Rueschmeyer, Stephens, and Stephens, 1992; Wilensky, 1975).<sup>7</sup> In each case, these countries witnessed the growth of new ideas on the one hand, and the reconfiguration of the balance of power between economic classes on the other. "In each of these countries surveyed, there was a similar conflict, and each has its own way of managing the tensions created" (Rimlinger, 1971:85). In both Europe and America, middle- and working-class reformers demanded both more responsive political institutions and more efficient government. Political reform was necessary, reformers believed, in order for government to be transformed into a tool of social and economic progress.

To achieve these common ends, however, the specific reform strategies developed in radically different ways. In Europe, where national power was much more centralized and the right to vote had yet to be won, reformers organized themselves into strong programmatic political parties on the one hand, and large, politicized unions on the other—the aim was to gain the right to vote and then seize the reins of national power.<sup>8</sup> In the United States, with its large national economy, its federal division of sovereignty, and its male suffrage, reformers' political strategies took quite a different turn. In this case, democratic reform meant undermining the power of democratic political elites. The following sections will examine exactly why these strategies differed in the ways they did.

#### *Weak Parties*

Few would argue with the proposition that one of the central explanations for the laggardly development of the American welfare state is the fact that political parties in America are relatively nonprogrammatic, non-ideological, and internally divided. In the absence of strong political parties, elected officials must cater to local or highly particularistic constituency interests to an extent that is truly unique in the democratic world. Accommodating these interests often means going against the party, its elites, and even its stated goals and ideology. Indeed, even when a single political party nominally controls the Senate, the House, the presidency, and the majority of state legislatures and governorships across the country, there is almost no hope that the party will be able to legislate more than a fraction of its political commitments.

The question, of course, is why the United States does not have strong programmatic political parties, and why in particular a Socialist party never developed in the late nineteenth century here. Certainly, there were Socialist parties and no small measure of mass support for the Left in America in the later decades of the century (Hofstadter, 1963; Bell, 1967; Greenstone, 1969), but for some reason these movements floundered on American shores, while succeeding throughout Europe.

The liberal traditions theorists argue that these movements failed in America because they ran counter to basic American ideology: Communism and socialism offered a vision of the good society that conflicted with American's vision of and for itself. The historical evidence, however, leads us to question this assertion. Indeed, historians who study this era have shown that it was far from the case that liberal ideology was hegemonic in this era (Hattam, 1992; Ross, 1991). Some have even argued that the weakness of socialism in the United States was due to the powerful socialistic tendencies already present in American political culture, that is, "[t]he country's image of itself contained so many socialist elements that one did not have to go to a separate movement opposed to the status quo in order to give vent to socialist emotions" (Harrington, 1972:118). Others have argued that it was America's fantastic wealth that limited the appeal of socialism (Sombart, 1905), whereas still others suggest that ethnic diversity and racism undermined class consciousness (Korpi and Shalev, 1979).

In my view, each of these may have played some role, but a more convincing explanation for the weakness of United States Socialist political parties looks to the institutional context in which the new political demands were filtered and shows how this context shaped both political organization and reform strategies.

In both Europe and the United States, the end of the nineteenth century marked an era spent in intense political conflict, culminating in demands for democratic reform. In Europe, where the franchise had still to be ex-

tended beyond the landholding elite, middle- and working-class activists built strong political parties and mobilized around them in order to demand access and representation for the unenfranchised. European democratic reformers wanted to seize the reins of power from the ruling elite, and the best mechanism for doing this was to mobilize the workers and the middle class to form coherent politicized organizations—political parties and labor unions (Rueschemeyer, Stephens, and Stephens, 1992).

The democratic puzzle was different in the United States, in part because of the “free gift of suffrage” (Perlman, 1949, quoted in Lipset 1991:9), which meant there was less to get working class people to mobilize around—to get them angry about.<sup>9</sup> It is equally important, though, that the constitutional structure had given local elites a power base quite apart from the national center. The early extension of the franchise allowed local elites to use the patronage system to control their constituencies and control their members of Congress. Local elites were thus both well-entrenched in democratic and electoral politics and were major stalwarts against progressive reform and governmental activism.<sup>10</sup> This radically altered the task of democratic reformers, who “hoped that people ... would be filled with the desire to do something about corrupt bosses, sweated labor, civic decay, monopolistic extortion. If the people were sufficiently aroused, they would wrest power away from city and state bosses, millionaire senators, and other minions of invisible government and take it back into their own hands” (Hofstadter, 1963:5). Because of this basic decentralization of authority in nineteenth century America, local elites and their party machines were seen as the central obstacles to reform.

In Europe, political parties were perceived quite differently by democratic reformers. Instead of being obstacles to democracy and governmental activism, mass political parties were perceived as the major instruments to bring about democratic reform—a means for making the national government more responsive to reformers’ demands and interests.<sup>11</sup> It is also important to recognize that in both Europe and America, governmental reform was intimately tied to the belief that government should be used as an instrument of social and economic progress. Reformers believed that as long as the current elite held power, progress would be stifled. In short, these reformers believed that government could, would, and should become “activist.” As Richard Hofstadter (1963:4–5) notes, “They believed that the people of the country should be stimulated to work enthusiastically to bring about social progress, that the positive powers of government must be used to achieve this end.” The debate and strategies in America and Europe, then, were quite different, but the goals were not. “Conservatives generally believed in time and nature to bring about progress; Progressives believed in energy and governmental action.”<sup>12</sup>

In America, reformers pushed for and eventually won a large set of institutional reforms specifically designed to take power away from the current political elite and the parties that they controlled. In the decades surrounding the turn of the twentieth century, several attempts were made at organizing new political parties, but the Democrats and Republicans proved to be adept at adopting many of the reformers’ policy platforms and thus undermining their electoral appeal.<sup>13</sup> We must remember that the localization of power in the United States allowed the two standing parties to be malleable enough to adopt new reform positions—and the consequence was that the two parties were colonized by reformers, and in the end the parties were used as vehicles for undermining their own elites. Among the most important institutional reforms introduced were the direct primary, the Australian ballot, recall elections, citizen initiatives on state ballots, voter registration reform, and the direct election of U.S. Senators (cf. Burnham, 1970).

In Europe, the democratic impulse had quite different effects. Rather than attempting to break the link between parties and government, reformers worked to mobilize the unenfranchised into newly formed political parties that could then take over government. Since the vast majority of the public was excluded from the right to vote, the traditional parties could less easily absorb working- and middle-class interests and demands into their platforms. Democratic reformers, at the same time, saw the political potential in organizing separately from the small ruling elite then in power. Why join the enemy when you outnumber him ten to one? As working-class parties grew and as the pressures for broadening the franchise mounted, it quickly became obvious that these parties would one day run the government.<sup>14</sup> In these cases reformers had no incentive to neuter political parties—quite the contrary, they could easily see that they would soon be able to use this power to effect social and economic change.

In sum, democratic reformers in Europe sought political reforms that could enable and strengthen mass-based political parties, hoping to make their political systems more democratic and responsive. Democratic reformers in the United States, in contrast, sought policies that would weaken political parties in order to achieve precisely the same goals.

#### *Weak Labor*

Another distinctive feature of twentieth century American politics has been both the weakness of trade unions and the antipolitical strategy they adopted late in the nineteenth century. European unions tend to be much larger and stronger than their American counterparts; moreover, they have been active forces in supporting Socialist political parties, and in pushing for welfare state programs. The weakness and timid political strategy adopted by American unions is often seen as a critical variable

that helps explain why American politics has not been pushed further to the left.

The liberal traditions argument posits that the size and strategy of American unions is a result of our cultural individualism as well of our belief in the market as opposed to the state; in short, Americanism conflicted with politicized unionism. Once again, the historical evidence tells a somewhat different story. The structure and strategy of American unions is instead best understood as a rational adaptation to the institutional realities within which they were forced to operate.

In this case it was the decision of the Founding Fathers to create a large federal nation—a country with divided sovereignty and structural limits on national political authority—that altered the strategic choices of working-class organizers as America industrialized. The unique American federalist structure directly impinges upon the ability to organize unions because this system creates a discrepancy between political and economic power. Size, of course, is often presented as a major explanation of America's exceptionalism, but we must remember that to have a large federal union was an explicit institutional choice. Madison, arguing for the adoption of the Constitution in *Federalist No. 10*, put the issue most bluntly:

The smaller the society, the fewer will be the distinct parties and interests composing it; the fewer the distinct parties and interests, the more frequently will a majority be found of the same party; and the smaller the number of individuals composing a majority, and the smaller the compass within which they are placed, the more easily they will concert and execute their plans of oppression. Extend the sphere and you take in a greater variety of parties and interests; you make it less probable that a majority of the whole will have a common motive to invade the rights of other citizens; or if such a common motive exists, it will be more difficult for all who feel it to discover their own strength and to act in unison with each other. (Madison, Hamilton, and Jay, (1937), *Federalist No. 10*:83)

With the Connecticut Compromise, the Founders specifically agreed to a large national economy in which the national government would still have relatively limited powers. They built, in short, a polity in which commerce, trade, industry, and employers could travel across state boundaries, but state laws could not. As Theodore Lowi (1984:46) points out, "[e]ven a cursory review of the policies of state governments in the nineteenth century quickly demonstrates that the 'reserve powers' amounted to virtually all of the important government in the United States. ... Those features of capitalism about which a proletarian consciousness presumably develops—such as the laws against trespass and obstruction, laws against any interference with individual contract, laws against conspiracies to organize to control labor against subsistence wages—were state laws. Laws justifying legal violence were state laws."

In other industrializing nations the political battles were for worker protection and the right to organize, and they were national battles. In the United States these were state battles. This difference sets up radically different political and economic constraints and incentives. In the United States, as soon as a state would consider the interests and demands of working-class reformers, capital would threaten to leave the state for other states with a "more favorable" environment. Thus, this form of federalism dramatically enhanced the "exit" option for capital, and in so doing dramatically biased the game against strong working-class organization. American unions developed the peculiarly 'voluntaristic' strategy late in the last century as a conscious response to these political realities.

There were, of course, several quite militant working organizations that attempted to organize in the United States despite the institutional obstacles. But in each case these unions were repeatedly beaten back by either private or public armies representing the interests of employers who routinely used new immigrants to replace organized workers (Greenstone, 1969; Shalev and Korpi, 1980). But much more important than the violent opposition unions had to overcome were the institutional obstacles they faced.<sup>15</sup> The most important of these was the power of the Federal courts to overrule state legislation. Victoria Hattam (1992), for example, shows that it was only after the courts had overruled legislative victories in several industrial states that labor organizers decided to adopt the voluntarist approach. Adolf Strasser, one of the early union advocates for the voluntarist approach, explicitly argued that legislation was futile in the American political context:

"There is one fact that cannot be overlooked" he exhorted during a debate over the demand for an eight-hour work day at the A.F of L.'s 1894 convention. "You cannot pass a general eight-hour day without changing the constitution of the United States and the constitution of every State of the Union. ... I hold that we cannot propose to wait with the eight-hour movement until we secure it by law. ... I am opposed to wasting our time declaring for legislation being enacted for a time possibly after we are dead. I want to see something we can secure while we are alive." (cited in Hattam, 1992:164)

Indeed even noted voluntarist American Federation of Labor (AFL) chairman Samuel Gompers was an "economic determinist" who was profoundly class-conscious.<sup>16</sup> But Gompers was a pragmatist and not an individualist ideologue. This pragmatism grew out of rational calculation of what he believed was possible within the political and economic context he saw in America in the late 1800s. From his experiences he concluded that "the concentration of economic power is an inevitable fact of industrial capitalism. Labor could try to hedge in, but not challenge, the power of the rising new class" (Bell, 1967:37).



By the 1890s Gompers, once an advocate of political unionism, had resorted to voluntarism in response to the past failures of a more political strategy (Hattam, 1992). "[The AFL] is guided by the history of the past," Gompers replied, when questioned by Socialist Congressman, Morris Hillquit, "drawing its lessons from history, to know of the conditions by which the working people are surrounded and confronted; to work along the lines of least resistance; to accomplish the best results in improving the condition of the working people."<sup>17</sup> He saw these experiences as evidence that a political strategy could not work in this country. Why? The necessary political alliances with farmers, greenbackers, small businessmen, intellectuals, and others "inerely sucked the worker into the vortex of a swiftly rising political whirlwind, lifted him high, and dumped him unceremoniously when its force was spent" (Bell, 1967:37).

In short, the dominant American unions' commitment to voluntarism was pragmatic, not ideological. The decision was not based on a belief in liberal ideas or individualism, or on a commitment to market principles, but instead grew out of deep skepticism about the possibilities for a successful political strategy, given the American political and economic context. Hattam, in a superb comparison of early British and American union strategies, argues similarly: "After almost a century of parallel development, the English and American labor movements began to adopt quite different strategies, largely in response to the pattern of frustrations and rewards that flowed from the political systems within which they organized" (Hattam, 1992:178).

#### *Weak Government*

The final key feature of American politics that is necessary to explain the relative underdevelopment of this country's welfare state is the fragmentation of political power within national decisionmaking institutions. Clearly, weakness of the political parties is part of this story, but it is equally important to recognize that inside the halls of Congress power is institutionally fragmented and decentralized. American political history is brimming with cases in which there was widespread majority agreement in Congress that a particular reform was desirable, but recalcitrant key members—who clearly did not represent the majority view—were able to radically slow the process down, reshape the proposals in important and meaningful ways, and even sometimes prevent reform from becoming law.<sup>18</sup> The institutional fragmentation of power inside the halls of Congress yields a degree of political power to individual members that would be unthinkable in any other democratic system in the world.

How and why did we develop these kinds of decisionmaking institutions in the United States, while European democracies became more centralized and elitist? In this case the culturalists would argue that America's liberal ideology does not provide the best explanation, rather, it is the

egalitarianism of our political culture which is to blame. I argue instead that the constitutional separation of powers provides the foundation for an explanation, but we must also examine the ways in which Congress and the executive branch adapted during the eighteenth century to the new needs and demands of an increasingly complex industrial democracy.

Premodern legislatures throughout the world were loosely structured, decentralized, and relatively unspecialized, and decisionmaking tended to be informal, which allowed the institutions to be adapted to the particular needs of the time. But as Stephen Skowronek (1982:13) suggests, these institutions were insufficient for the challenges of the modernizing nation. In his study of the modernization of the American state he tells us, "Industrialism, in all its dimensions, exposed severe limitations in the mode of governmental operations that had evolved over the nineteenth century and that supported the powers and prerogatives of those in office."

Whereas the legislature could claim that it was more democratic (and could increasingly open itself up to broader segments of the public in order to demonstrate this point), the executive branch could claim that it alone was capable of managing the turbulence of the times. Once again, all modernizing democracies in the late 1800s were caught between the demand for a more responsive political system on the one hand, and the demand for more efficient decisionmaking institutions on the other. In most countries this dilemma evolved into an institutional battle between the executive and the legislature. European polities eventually addressed this dilemma through the centralization of political authority. By the turn of the century, the balance of power was shifting to parliament. In some cases this process was incremental, and in other cases quite dramatic, but in each case European parliaments demanded greater and greater participation and eventually gained control over the executive functions of government. They specifically demanded and won control over their respective cabinets. The result was that with the growth of increasingly powerful mass-based political parties, a single set of elites could now dominate both the legislative and executive functions of government; in fact, they developed "cabinet government." In this context, then, the demands for more efficient government and for more democratic government could both be accommodated through the centralization of political power.

In the United States, of course, the battle between the executive and the legislature was structured quite differently, largely because the executive and legislative branches of government were constitutionally separated and democratically legitimate. The executive in America was therefore better able to fight off the encroachment of its power by the legislature than were its European counterparts. But this institutional battle only complicated the demand for more efficient government. Congress, we

should note, was not populated by strong ideologically united political parties, but instead continued to be fragmented into a multiplicity of regional interests (Sundquist, 1973). Certainly one option would have been that Congress yield authority over substantive policy to the president. But, as Nelson W. Polsby has shown, Congress instead chose to protect its institutional prerogatives, creating an elaborate committee system that devolved political authority for particular policy decisions to individual committees and subcommittees (Polsby, 1968; Polsby, Gallagher, and Rundquist, 1969); they created "committee government."

I have tried to show in the preceding discussion how the basic constitutional structure, the early extension of suffrage, federalism, and the separation of powers shaped the ways in which American political reformers structured responded to the enormous changes witnessed in all modernizing nations at roughly the turn of the last century. Europeans developed strong union movements that could be used as political support for policy activists in their attempts to build welfare state programs. American unions, instead, had much weaker links to the state and sometimes even opposed specific welfare state programs. The United States developed institutional barriers to strong national political parties, but European nations developed coherent ideological parties broadly representing different classes in society. Whereas power within national government became fragmented in the United States, European nations developed cabinet government. As will be discussed, these basic institutional decision-making structures have contributed to the development of different welfare state institutions, and this has contributed to the antistatism so easily observed in America.

#### THE MODERN AMERICAN WELFARE STATE

*In parliamentary terms, one might say that under the U.S. Constitution it is not now feasible to 'form a Government' one formed of an elected majority that is able to carry out an overall program, and is held accountable for its success or failure.*

—Lloyd Cutler, "To Form a Government"

The fragmentation of institutional power and responsibility in American politics has had fundamental consequences for the development of the character of American policymaking throughout the twentieth century.<sup>19</sup> Fragmentation weakens political elites' ability to govern effectively. Lloyd Cutler observes: Each member of Congress gains access to his or her own base of institutional power and therefore is less dependent upon those higher up the institutional hierarchy for support. This has meant that it is exceptionally difficult and sometimes impossible for those in leadership positions to push or pull Congress into policy positions—even when a majority of the citizenry and a majority of the political elite desire change.

In more centralized parliamentary systems, individual legislators are bound to support their party's position. This institutional fact gives these same legislators the 'political cover' to support measures that they may find politically distasteful in the short run but that could either strengthen the party or help solve national problems in the long run. The fragmentation of authority in the United States, in contrast, leaves members of Congress individually accountable for their actions. They thus face powerful incentives to pay closer attention to the short-term electoral consequences of their votes than to the long-term policy effects of their actions (cf. Mayhew, 1974; Fiorina, 1977).

The consequent destruction of the structures, rules, and norms that facilitate broad-gauged deliberative dialogue produced a Congress unable to engage in a reasoned and collective consideration of emerging national problems. In other words, Congress so "adapted" its organizational structures and procedures to the strategic processing of an industrial-era agenda that it weakened or lost those institutional mechanisms necessary for a broad discussion of the problems and governing principles. Lacking such mechanisms, Congress now finds it difficult to discover a new logic of politics that would enable its members to break out of the politics of interest representation and embrace collective solutions to postindustrial policy dilemmas. (Dodd, 1993:429)

Studies of American welfare state development are, in effect, studies of how policy activists have attempted to get around America's uniquely fragmented political institutions in their effort to bring about reform. Any student of American political history knows the essential story line well. Even in cases where the president and both houses of Congress have been controlled by the same political party, the fragmentation of political authority has either entirely prevented reform, or has forced reformers to dramatically scale back their reform ambitions. In every single public policy arena, whether it might be health, housing, or employment policy, or social security, taxation, or whatever, political history tells a common story: Political and administrative reformers design a plan which is radically altered, watered down, or rejected as it moves through the legislative branch. Reformers can be quite persistent and eventually, usually only after many failed attempts and significant alteration of the original plan, they are able to push a bill through both houses.

In the process of bringing in the required congressional support, however, reformers are forced to not only water down the program, but also to provide particular incentives or sweeteners to a huge number of particular constituencies or interests. If the president signs onto the new plan (if he signs it and if the courts don't overturn it), the final program is generally a shadow of the original program. So many compromises and concessions are required along the way that many of the original sponsors are

left wondering whether what they got is better than nothing at all—too often, it is not.<sup>20</sup>

In sum, the further fragmentation of Madison's system of checks and balances has contributed to a polity replete with veto points.<sup>21</sup> This has meant a political structure that encourages interests to mobilize in small and narrow interest groups and that disadvantages broad coalitions of interest. This system also gives huge power to interests wishing to stop, alter, or modify governmental action. And this, in turn, has meant that if and when public policies do make it through the labyrinth, they have to accommodate a large number of very specific interests, therefore tending to be far less coherent or efficient than they would have been had they not had to wheedle their way through the labyrinth and past so many veto points. Martha Derthick's study of the development of the American Social Security system demonstrates the ways program activists have had to manipulate and adapt their vision to the political realities caused by the fragmented nature of American politics.

If they were to build the structure of social protection they believed the nation needed, they had to adapt to their environment without sacrificing essential objectives, and they had to manipulate it without jeopardizing their own legitimacy.

Their adaptations to the external environment took many forms, of which the incremental mode was probably the most important. They learned not to ask for everything at once. They asked for a piece at a time, and then trimmed the pieces. (Derthick, 1979:206)

The contrasting histories of the American Social Security Act and the Old Age Pension system in Britain could not be clearer. In the British case reformers cloistered themselves from the fray of parliamentary politics precisely because they did not want to have their plan diluted and compromised. Lloyd George and Winston Churchill, working separately on two different parts of the plan, were able to design their system in virtual isolation from the political fray. When the act was finally introduced, the parliament was left on the sidelines. Indeed, according to Hecló (1974:89), "Parliamentary consideration of the government's plan was perfunctory and added nothing of substance." In the American case, "parliamentary considerations," for better or worse, defined the structure of our old age pension system.

Similar contrasts could be drawn with respect to virtually all major public policy arenas. In the United States, reformers must design and adapt their policies to cater to the objections and desires of a huge number of interest groups and congressional constituencies. In parliamentary systems compromises must be made, particularly in the cases of coalition government, but when programs have been decided on by relatively

small groups of elites, they can and usually are passed though their respective legislatures with very little substantive change or amendment.

Consider for a moment how different America's social welfare state would be today if Presidents Franklin Roosevelt, Harry Truman, John Kennedy, and Lyndon Johnson could have called the Democratic party leadership together, and with this small group of elites, could have designed and implemented social welfare policies, tax policies, urban renewal policies, and national health insurance policies without needing to tailor these programs to the demands or objections of particular members of Congress and the interest groups they represented. It is difficult to imagine such an outcome precisely because this kind of decisionmaking would be inimical to the twentieth century American system of government. Such a system would undermine America's system of "checks and balances." It would also enhance the power of technocrats and social reformers. It would, quite clearly in my view, contribute to a larger and more efficient welfare state.

#### THE COSTS OF FRAGMENTATION

There are two deeply troubling consequences of the fragmentation of political authority in America. First, it makes government enormously inefficient. This is not simply an issue of slowing down the process, or choosing incremental decisionmaking over synoptic decisionmaking. Second, although this system of interest group and veto politics too often underfunds and poorly designs programs benefiting broad or general constituencies, it too easily yields enormous particularized benefits, programs, and tax dollars to special interests. On the one hand, citizens see their government spending hundreds of billions of their tax dollars on ineffective programs designed to combat poverty, crime, drugs, public housing, education, infrastructure, and so on. Despite this spending, these problems have not gotten any better and in many cases they have gotten worse. On the other hand, citizens see their tax dollars being spent on pork barrel and a large number of other programs that have only one real justification—the politically powerful interest groups demand them.<sup>22</sup> It should not be difficult to appreciate why citizens in America do not trust public officials with their money. There is simply too much evidence telling them that much—too much—of that money is being wasted and that too few problems are being solved.

In short, policies shape attitudes about public policy. As Karl Polanyi (1957:86–102) argued long ago, when a state does something badly, this becomes an argument for why the state should do less. Or, as Francis Castles (1978) remarks, when a state does something well, this becomes an excellent argument for allowing the state to engage in further activity. Over time these types of historical experiences will shape political culture.

Thus, the more inept and inefficient state policies are over time, the more antistate values are reinforced.

As Inglehart has shown, ideas about politics are learned—they are not genetically inherited, or otherwise passed down unaltered from one generation to the next. Each generation develops its ideas about what is true, what is good, and what is possible by interpreting what they see through what they value. And when we have inherited competing values, such as equality and liberty, or responsibility and liberty, experience helps us decide which values more accurately reflect the reality we experience, and thus, which values we should choose to guide our actions, our behaviors, and our public policies.

Even in the late twentieth century Americans hold conflicted values. But our experience with government increasingly teaches us that these institutions are not trustworthy and that collective solutions do not solve social or economic problems. Americans widely believe that politicians only listen to powerful interest groups and that citizens' general interests are not represented. A multitude of academic studies has confirmed this basic proposition (see typical data in Table 5.4). As a consequence, Americans believe that they don't get what they pay for, and—increasingly—they distrust their state (Ladd et al., 1979; Hochschild, 1981; Eismeier, 1982; McClosky and Zaller, 1984; Crocker, 1981).

### CONCLUSION

We rather naively tend to think of a democratic republic as a political system in which the government does what the citizens want it to do.<sup>23</sup> This assumption is too naive for many reasons. First of all, citizens only rarely are clear about what they want; more often their preferences, opinions, and even their values are multiple, conflictual, and vague. Democratic governments must then translate and interpret what their citizens want, and sometimes democratic government must do things that citizens clearly do not want (like raising taxes). A naive understanding of democracy also fails to recognize the substantial power that elites have in evoking and shaping the preferences of ordinary citizens. Governments do not simply wait for citizens to demand public policies; they also set the agenda. Finally, what citizens believe about politics, and what they think is possible and desirable is fundamentally shaped by what government does for them. In other words, what citizens want is in part determined by what they have seen and experienced. Thus if a government is disorganized, inefficient, and ineffective citizens will want it to do different things than they will if their experience tells them that it is efficacious.

The new president, Bill Clinton, entered office on a rising tide of optimism. Much of the nation shares the hope that governmental power can now be harnessed to manage the difficult transition this country will

TABLE 5.4 Public Confidence in Government

*Do you think that people in government waste a lot of money we pay in taxes, waste some of it, or don't waste very much of it?*

Year	% Replying Wastes a Lot
1964	47
1968	59
1970	69
1972	66
1974	74
1976	74
1978	77
1980	78

Source: Margaret Weir, *Politics and Jobs: The Boundaries of Employment Politics in the United States* (Princeton: Princeton University Press, 1992), p. 159. Reprinted by permission.

have to make as it enters the twenty-first century. However, he faces enormous obstacles to his success. The problems of institutional fragmentation have only gotten worse in the most recent decades, and thus the president's power to move a legislative agenda through Congress is unfortunately limited. Clinton also confronts a nation which, although hopeful, has become increasingly skeptical of its government's ability to govern.

If the president is successful and his administration is able to overcome the institutional sclerosis we have constructed in this country, he can contribute to the reconstruction of the American political culture. He can tap into that part of our culture that is deeply egalitarian and that has an abiding belief in a common good for all Americans. If, however, his initiatives flounder in the legislative maze and the programs enacted are half-hearted and ineffective, the new evidence will reconfirm Americans' distrust of government and will build on their individualism, their egocentrism, and their suspicion of all things collective. My institutional analysis suggests that the later outcome is most likely—I hope that it is wrong.

### NOTES

1. See Ronald Rogowski (1974) for very solid critique of culturalist theory on this point.

2. As Ekstein (1988) admits in a spirited defense of the concept: "The basic reason why a culturalist account of change is intrinsically difficult to construct (hence, why culturalists have in fact tended to waffle in explaining change) is simple: the postulates of the approach all lead to the expectation of political continuity."

3. Historians have long fought over whether American political history is best characterized as consensual or conflictual. Richard Hofstadter (1974:xxviii, xxx), whose book, *The American Political Tradition*, is one of the most widely regarded analyses in the "consensus" tradition recants on the consensus view in the following way: "It has been awkward for me, in the sense that it [*The American Political Tradition*] has linked me with other historians with whom I have significant misgivings, and because I have misgivings of my own about what is known as consen-

sus history ... I was less interested in the art of exercise of power than I was in the art of acquiring it, and this I suppose to some extent sets limits upon the value of what I had to say about several members of my cast of characters." For explicit critiques of consensus theory see Ross (1991).

4. Ekstein (1988:790), for example, tells us: "'Orientations to action' [the 'touchstone of culturalist theory'] are general dispositions of actors to act in certain ways ... We may call them, as did Bentley, soul-stuff or mind-stuff ... Orientations are not 'attitudes': the latter are specific, the former general, dispositions."

5. In the United States, taxes consumed 30.1 percent of GDP in 1989. British taxes were 36.5 percent of GDP. Swedish taxes, however, took a shocking 56.1 percent of GDP. Most European countries fall closer to the United Kingdom than to Sweden.

6. There are, however, important exceptions to these general tendencies. The United States has historically spent more on public education and old age security than have most other democracies.

7. The basic observation that modernization brought new demands with it is uncontroversial. Some scholars, however, have argued that we can essentially reduce differences in welfare state output to differences in the timing of industrialization and levels of economic development. In so doing, the "logic of industrialism" school has simply taken the basic observation about the relationship between modernization and the social welfare state too far. See for example, Wilensky and Lebeaux (1958) and Wilensky (1975). For a more elaborate critique of this argument see, Flora and Alber (1977).

8. Space limitations prevent a discussion of the differing institutional reforms adopted within Europe. For example, whereas Britain adopted a single member district electoral system and stripped the House of Lords of its budgetary authority, most continental countries adopted one form or another of proportional representation and several retained bicameral legislatures. These differences are important and should not be ignored. For a further discussion of these issues, see Carstairs (1980) and Steinmo (1993).

9. Lenin himself noted this problem, arguing that there was no big nationwide democratic task facing the proletariat in America, and that therefore it was difficult to mobilize the proletariat to revolt.

10. The literature covering this era in American history is particularly fascinating. For example see, Shefter (1977), Burnham (1970), Sundquist (1973), Hofstadter (1963), Skowronek (1982), Hays (1957).

11. The literature on this and on reform in Europe is also abundant (for cross-country comparisons in English see, Rueschemeyer, Stephens, and Stephens, 1992; Moore, 1966; Bendix, 1964; Rimlinger, 1971; Ashford, 1986; Hecló, 1974; and Flora and Heidenheimer, 1977).

12. Compare the analyses of this era in the writings of Bagehot (1977), Beer (1969), Dodd (1977), Shefter (1978), Ashford (1986), Fraser (1973), Rueschemeyer, Stephens, and Stephens, (1992), Skocpol and Ikenberry (1983), Sundquist (1973), Wilensky and Lebeaux (1958), Flora and Alber (1977).

13. We should not lose sight of the impressive electoral gains achieved by both Socialists and Progressives in this era despite the large disincentives faced by third parties, given the decentralized, first-past-the-post, single-member-district elec-

toral system for House elections and the winner-take-all electoral college system for the country's only national election.

14. It was the ruling elite that attempted to fragment political power in Europe at the turn of century. The introduction of proportional representation, for example, was a last-ditch attempt to undermine the growing power of working class organizations.

15. Unions faced violent opposition in Europe as well. Most European states, however, did not experience a huge influx of immigrant workers who could be used to replace striking workers.

16. Gompers wrote in his autobiography, "Economic power is the basis upon which may be developed power in all other fields. It is the foundation of organized society." But, Bell tells us, these philosophical beliefs did not turn Gompers into a socialist activist precisely because of his belief that labor could not win in the struggle over state power. "This conviction underlay Gompers' philosophy of 'voluntarism,' which consisted essentially, in a fear of the state. Since the state was a reflection of dominant economic pressure groups, any state intervention could only lead to domination by big business" (Bell, 1967:38).

17. Cited in Litwack (1962:40). See also Greenstone (1969).

18. Recall the case of national health insurance discussed above. It is interesting to consider the fact that if the U.S. Congress had passed a national health insurance plan, as has been favored by strong majorities of American citizens since the mid-1940s (Coughlin, 1980; Free and Cantril, 1967; Marmor, 1970), and if we spent as much on health care through this system as we do through the private health care system (a dubious assumption, I agree), the United States would not have an exceptionally small social welfare state. In fact, if American government paid for all health care now paid for privately, the United States would have very close to the average Organization for Economic Cooperation and Development tax burden (37 percent as compared to the 38.4 percent average.)

19. For a similar argument see Dodd (1977). See also Schattschneider (1942, 1960).

20. I can think of no major policy issue which has not followed some approximation of this general pattern in the United States. There are some examples of good political histories on particular policy issues that tell this basic story (Marmor, 1970; Witte, 1985; Weir, 1992; Derthick, 1979; Weir, Orloff, and Skocpol, 1988; Skocpol and Ikenberry, 1983; Manley, 1970; McConnell, 1966; Light, 1985; Birnbaum and Murray, 1987; and Steinmo, 1993).

21. I borrow this phrase from Immergut (1992).

22. See Downs (1957, 1960) for an examination of the rational basis of these perceptions.

23. This is why the culturalist explanation for America's relatively smaller welfare state is so appealing.