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The Youth Unemployment Crisis Facing Welfare Regimes: How States Develop New Social Policy

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THE COLLEGE OF WOOSTER

The Youth Unemployment Crisis Facing Welfare Regimes

How States Develop New Social Policy

By

Andrew Cole Campbell

**Presented in Partial Fulfillment of the
Requirements of Independent Thesis Study Research**

First Reader: Eric Moskowitz

Second Reader: Byunghwan Son

March 18, 2014

Abstract:

In this Independent Study thesis for the College of Wooster, I analyze and test the core works of Suzanne Mettler and Gosta Esping Andersen in a two-model comparative case study between the United States and the United Kingdom. Drawing on 95 sources, this paper critically looks at two competing models, trying to capture the motivations and key factors at play within welfare policy development both in the U.S. and UK. My purpose is to understand why and how these supposedly similar welfare states, both facing a new socio-economic crisis in the form of youth unemployment, will react and develop new social policy to address this growing issue. The findings show flaws in conventional assumptions when trying to predict social policy behavior in liberal welfare states.

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Introduction

The world finds itself in a major period of transition and restructuring in the wake of the 2008 financial crisis as it works to reconcile state interests for austerity with the increasing social pressures and social constraints of an economic crisis within its welfare regimes. This is clear when looking to the record highs of civil unrest related to levels of inequality and unemployment not seen in generations. In particular, youth unemployment is the emerging marginalized community which is bearing the brunt of this unemployment and inequality pandemic. In this vein, I looked to examine the policy trends that occur as a result of the recent economic crisis because it is my goal to understand whether the current policy behavior models will be sufficient to explain how countries will react to new policy concerns of youth unemployment and unprecedented social risk.

This paper aims to critically look at conventional wisdom, about the motivations and key factors at play, in welfare policy development within the United States and the United Kingdom; which are generally considered to be two of the stingiest welfare states. The goal will be to understand how these welfare systems will react to the growing at risk group of unemployed youth in the aftermath of a major global economic recession and determine if the plight for the unemployed youth in these countries is as bad as current media indicators and experts might have us believe. The famous labor economist Robert Reich, former Secretary of Labor, says in his critically acclaimed documentary, “Inequality For All,” that the economic outlook for young people is as bad as it was in the great depression, but will the current policy trends continue to promote inequality or will young people be able to find a way to pressure the legislative process to respond with more egalitarian shifts in the social

assistance programs that they offer? Why and how are these “welfare regimes,” currently facing similar socio-economic constraints in the wake of the 2008 financial crisis, choosing to engage in different policy options in the form of welfare retrenchment versus stability or expansion? These are generation defining questions that are facing youth universally among all struggling labor markets in the developed western welfare states.

In the following chapters I seek to capture the common frameworks by which welfare theorists seek to provide answers to those questions above. In chapter 1, I explore what the literature tells us about the framework and models of social policy development. In chapter 2, I extrapolate on two prevalent models in the general literature and discuss how I will operationalize those models and test their explanatory power when applied to the United Kingdom and the United States as a comparative case study. In chapter three, I carry out the first of my two case studies by completing both models in succession as they apply to the United Kingdom. In the fourth chapter, I continue my comparative case study by laying out the chosen models as they apply to the United States. In the fifth and final chapter, I complete the case study by doing a comparative analysis where I discuss both the basic trends captured by the evidence collected and how they fit and do not fit the predictions in the literature. Furthermore, I present an analysis of the general literature and potential gaps in the models where further academic research would be beneficial to further our understanding of welfare policy behavior, particularly as it relates to times of crisis.

Chapter 1: Literature Review

Addressing the world of welfare development has for some time been considered a fairly straightforward relationship. As far as welfare states go, they are pretty homogenous in their general social constraints in that they tend to be advanced western economies with varying levels of democratic representation in these countries. Because of this, many authors feel confident that there are simple explanations that can be used to interpret the policy patterns of different welfare states. In fact, these experts, “since the early 1970’s, generally identify three distinct welfare state responses to economic and social change (Andersen 1996, 10). The root of these distinctions which separate the three welfare state typologies are, for many authors including Gosta Esping Andersen, the varying clusters of national values. Specifically, among these operationally different welfare states it is important to understand how these national values translate into “the degree of political consensus required for preserving broad support... for the taxes that a welfare state model demands” (Andersen 1990, 26). Different values and policy framework clusters are the defining characteristic of Andersen’s work, which has culminated in his now famous model of the “Three Worlds of Welfare Capitalism” which outlines the legislative feedback of welfare policy development “explicitly as a form of class politics” (Andersen 1990, 24). This function of class politics is further clarified where the “history of political coalitions is the most decisive cause of welfare state variations” (Andersen 1990, 1). In other words, welfare protections and spending are systematically linked with national values and political legitimacy in traditional categorizations of policy behavior.

In particular this general theory was developed with the goal of tracking and explaining welfare state growth as well as its retrenchment regarding social policy development. In theory this development and policy trend of growth or retrenchment should follow basic trends of societal approval or backlash in democratic societies. In this vein, it is important to understand that this theory of policy behavior forwarded by Andersen sees “the welfare state not just as a mechanism that intervenes in, and possibly corrects, the structure of inequality; it is, in its own right, a system of stratification. It is an active force in the ordering of social relations” (Andersen 1990, 23). Further, it is this stratification of target equality versus inequality which helps explain “why some groups are advantaged more than others independently of traditional notions of political power and how policy designs reinforce or alter such advantages” (Ingram and Schneider 1993, 334). Moreover, for the purposes of this study which examines the potential for assistance to a newly emerging community of unemployed youth in the aftermath of an economic recession, Andersen’s model expects “the class coalitions in which the three welfare state regime types were founded, explain not only their past evolution but also their future prospects” (Andersen 1990, 33).

The Three Worlds of Welfare Capitalism

I. The Social Democratic State

The gold standard of welfare state policy is represented by states such as Denmark, Norway and Sweden. The reason for this is that the shapes of policy expenditures throughout Scandinavia are imbedded with “features of luxury to satisfy the wants of a more discriminating public” (Andersen 1990, 32). As a point of clarification, Andersen means that the focus of what he designates as the “Social Democratic” system of welfare is a largely

redistributive one which focuses on high taxes in order to establish greater equality and a universally targeted middle class. In other words, “in Scandinavia, the fortunes of social democracy over the past decades were closely tied to the establishment of a middle-class welfare state that benefits both its traditional working-class clientele and the new white-collar strata” (Andersen 1990, 32). The Scandinavian welfare states are clearly focused on and identity of a middle class society with high class mobilization and broad universal program initiatives with more or less indiscriminant targets. According to the basis of Andersen’s theory of policy behavior, there must be a reason why these broad based targets are seen to be politically deserving of such high levels of support despite the great expense of such inclusive social insurance methods.

Anne Schneider and Helen Ingram, leaders in the field of understanding target legitimacy and policy accountability, explain “social constructions [indeed] influence the policy agenda and the selection of policy tools, as well as the rationales that legitimate policy choices” (1993, 334). One particular reason that the social democratic system is able to legitimize such broad targets and be willing to accept the extraordinarily high costs of welfare that such programs generate is that these countries are highly homogenous in both ethnicity and culture. Thus it is much easier to understand why the national values of these states include a focus on supporting the working class so that all can enjoy the security and lifestyle of the middle class. In essence, the social assistance in this model is based on ideals of equality and social solidarity because there exists a high level of common interests which place a great value on the entitlement to “social resources, health, education [as a precondition] to participate effectively as a social citizen” (Andersen 1990, 12).

II. The Structuralist (Corporatist-Statist) State

To reiterate, Andersen's theory rests rather clearly and understandably upon opinions as the driver of these intuitively different approaches to welfare distribution as well as differences in welfare goals. One major factor he relies on is the belief that socially aggregated opinions and values capture the level of class conflict which he asserts impacts the input of these national values as they are related through the legislative process and political legitimization of targeting specific recipients over others. In the Social Democracy model, as seen above, there is remarkably little class conflict, and thus, there is a strong level of universal support for high equality with redistributive measures in place to effect real changes in the socio economic landscape. The essence of this "regime cluster is composed of those countries... that would promote an equality of the highest standards, not an equality of minimal needs as was pursued elsewhere" (Andersen 1990, 27). For the Corporatist state however, "what predominated was the preservation of status differentials; rights, therefore, were attached to class and status" (Ibid at 27). In other words, this second model of welfare regime is strife with class conflict as compared to the homogenous and egalitarian Scandinavian model.

In order to understand those differences however, it is antecedently important to understand how the Corporatist and Social Democratic models work in similar ways. One interesting point of comparison between the two outlined types of welfare states enumerated thus far is that both types of welfare regimes, despite differences in specific targets and goals of policies, do place an emphasis on the de-commodification of assistance as a way to circumvent market dependency and labor participation during times of necessary withdrawal from working in the labor force, "hence private insurance benefits play a truly marginal role"

(Andersen 1990, 27). These times of necessity are directly tied to indicators of legitimacy and often defined in a given welfare context as socially encouraged activities. It follows then that particularly when something forcibly removes someone from the labor force (meaning they have no control over the circumstances which demand an absence) there is a fairly broad consensus that protections should be extended in that circumstances because the target is perceived to be weak and in need, thus deserving of assistance. Conversely, instances of voluntarily opting out of working can easily be seen as an act of delinquency or free loading, and as such, much less deserving of assistance despite being similarly removed from means by which to participate in society. The range in between these measures are what interest Andersen and best give shape to his different models where the Scandinavian welfare states tend to be the most de-commodifying (least strict with providing assistance in matters of opting out of the labor market when individuals deem it necessary); the Anglo-Saxon the least (the third regime type).

For the Corporatist welfare state, observers see “a labyrinth of status specific insurance funds” (Andersen 1990, 24). This means that for matters of persons opting out of the labor force, there are specific types of readily and universally accepted targets of social assistance, such as “pensions, maternity leave, parental leave, educational leave, and unemployment insurance,” however it is worth noting that in this system “guaranteed benefits are equal to normal earnings” (Andersen 1990, 23). In other words, with this second type of welfare state formulation, Andersen observes “a state edifice perfectly ready to displace the market as a provider of welfare” just as with the Scandinavian case (Ibid at 27). Yet, unlike the Scandinavian formulation of equality and egalitarianism, “the state’s emphasis, [in Corporatist states like Austria, Germany and Italy,] on upholding the status

differences means that its redistributive impacts are negligible” (Andersen 1990, 27). Thus it can be noted that this particular formulation would suggest that these primarily Germanic and continental welfare states appear to have highly segregated national values that are held captive to political values which are aggregated in the social elite so that the marginalized groups of individuals are fairly “limited in their capacity for collective solidarity and mobilization... [leaving them] dependent on decisions and forces beyond their control” (Andersen 1990, 16). This would forward a context where there may be high protections for the unemployed upper echelon citizens but likely very little of this assistance would be made available to the unestablished and economically weak group of unemployed youth.

III. The Anglo-Saxon (Liberal) Welfare State

The final group of welfare states are primarily organized as the group of most westernized and market oriented welfare economies like the United States, United Kingdom and Australia. Particularly, these countries deviate from the basic norms of welfare delivery because unlike the previous systems, the Liberal welfare state focuses more on the marketization, rather than the de-commodification of welfare benefits. In essence, the national values of target legitimacy are often seen to be the strictest in this cluster of welfare regimes according to highly normalized work-ethic norms and an emphasis on self-reliance in the marketplace. Further, Andersen categorizes the behavior of this cluster as fairly straightforward and highly standardized in its approach; “In one cluster we find the Liberal welfare state, in which means-tested assistance, modest universal transfers, or modest-social insurance plans predominate” (Andersen 1990, 26). In other words, the Liberal welfare

states, in theory, act both similarly to the Scandinavian model in that both deliver services which benefit individuals on a universally redistributive standard, noting of course, that the assistance given by each state redistributes towards very different socially approved points. The Anglo-Saxon model, as is found in the U.S., redistributes based on culturally defined minimum needs rather than middle class standards of living as one might expect in the Social Democratic model. In other words, the Liberal welfare state is assumed to be little more than a set of minimalist safety nets leaving private entity providers of welfare and risk protection to lead the way as the primary institutions by which people receive benefits. This assertion follows the reasoning that “benefits [of state based programs] cater mainly to a clientele of the low-income, usually working-class, state dependents” leaving the middle and upper-class to utilize private institutions such as employers which provide similar programs as parts of compensation and incentive packages (Andersen 1990, 26). As for the unemployed youth in the Liberal welfare state, just as in the Scandinavian model, so long as the unemployment can be seen as legitimate in the eyes of the policy makers and not perceived as delinquency in the eyes of the public, benefits will be extended unilaterally.

However this is a bold assumption and has been challenged not only by many theorists but also by empirical data. In particular, Andersen’s theory holds that the main target of welfare policies, in his liberal typology, should be the lowest income groups who cannot compete in the market. Empirically however, Suzanne Mettler and Christopher Howard show that the redistributive properties US welfare programs directed towards these individuals are negligible while providing assistance to the rich in the form of tax cuts which tend to be exaggerating inequalities. Further, there is the assumption that there is consensus in the national values regarding the need for money spent protecting these marginalized and

economically weak groups based on maintaining minimal qualities of life. However, authors like Schneider and Ingraham show that in individualistic societies like the US, and in theory the UK, many people believe such programs are ineffective and create dependency rather than a productive member of society.

What's really going on?

In fact, the welfare state as we know it appears to be under duress, facing cases of what many onlookers and experts would categorize as necessary phases of systematic welfare retrenchment during steady economic decline and a debt crisis among the affluent European and developed western economies throughout the world. Indeed, it is no secret that even the Scandinavian welfare states, which have been the model for pushing the boundaries of social insurance and government led redistribution, have been forced to make noticeable spending cuts according to the aggregated spending data compiled by the Organization for Economic Co-Operation and Development. Despite this outward impression of the welfare expenditures and welfare budgets under fire, it remains unclear whether or not any actual or significant change is occurring. For this reason, many authors have made it their goal to better capture the pulse of welfare states, and in doing so understand how different states will respond to future socio economic challenges. This process begins with understanding the capacity of a given welfare state to provide protection to its beneficiaries. However, when beginning to examine the sum of a States' welfare programs, many authors such as Christopher Howard already believe that the world and the media rely far too heavily on the traditional measurements of direct welfare spending as a portion of GDP to define the character of a welfare state. Howard explains that this general measurement of different states "generosity"

fails to hit the mark in terms of assessing the true nature or state of affairs within the welfare state. Instead authors like Suzanne Mettler, along with Christopher Howard, are more concerned with understanding the level of equality, or in fact inequality, that is generated from the welfare distribution policies and programs that are in place within a given welfare regime.

In other words, when assessing the policies of a given welfare state it is far less important to understand how a state will react when facing financial pressures to retrench its programs, and far more important to understand how that same state will determine who receives the benefits which are still available. The general idea that a government will want to spend less on social policies when forced to make cutbacks is not difficult to understand, however, it becomes more complex when in that recession there is a growing demand and need for such government assistance. There is a basic logic to understanding that when there is an economic recession, “welfare rolls” increase, which in turn means that the cost of programs go up at the same time as the government has less money to distribute lest major changes occur within the program benefits or targets. This conundrum in particular is what highlights the need to carefully analyze the stability and shape of welfare policies to answer whether or not “the welfare state has continued to provide the inclusive social protection that defined its goals and operations in the immediate decades after World War II?” (Hacker 2004, 243). Unfortunately, there are serious problems with this question, posed by researcher Jacob Hacker, problems which are best illuminated by Christopher Howard who demonstrates the flaw of measuring the success of welfare states against a standard goal or normative idea of social protection. This is, in part, because the modern welfare state policy

development “should itself be seen as a process that is highly mediated by politics... In an environment of new or worsening social risks” (Hacker 2004, 246).

The Welfare State Nobody Knows

The United States is one such example of a complicated, more than meets the eyes welfare system. Christopher Howard best outlines this point in his chief evaluation of the American welfare state, calling it “The Welfare State Nobody Knows.” In his first chapter, “She’s So Unusual,” the reader is set up to take away that this title is fairly misleading and only represents a fraction of the truth. Perhaps a better title would read: “She’s So Misunderstood,” this would-be title offers a more apt summary of Howard’s point, and framing of the common question among welfare scholars, which asks if the American welfare state is unusually small? To answer this question, Howard reexamines the techniques used by other scholars to examine the American welfare system as well as all other basic welfare states. Howard’s conclusion is simple, there are serious methodological shortcomings inherent in traditional measurement techniques, whether it be the portion of GDP spent on social assistance programs and grants, or an accounting of cross national coverage programs as a measure of the scope of assistance offered by a welfare state, which belie and belittle other policy tools and forms of social spending which address welfare issues in alternative ways. In other words, the argument is made by Howard as well as other prominent theorists such as Jacob Hacker and Suzanne Mettler, that certain political complexities such as the legislative practices and distributive institutions make the measurement of any policy response (particularly where changes in policy trends are concerned) more difficult to identify. The core issue of such wrongful measurements, like direct public expenditures, is

what Howard identifies as the pervasive need of scholars to measure programs in the United States against programs in continental Europe or Scandinavia, and by doing so, leap to the conclusion that the United States does very little. This conclusion, while on some level can be fairly accurate, does not sit well with many onlookers of the social policy development process. Jacob Hacker, in particular, argues that there are several different strategies to accomplish meaningful policy change and the scope and shape of those changes depend on who's interest are in play. For this reason, Hacker advises caution, because "looking only at affirmative choices on predefined issues, retrenchment analyses tend to downplay the important ways in which actors may shape and restrict the agenda of debate and prevent some kinds of collective decisions altogether" giving off the appearance of a laggard welfare state (Hacker 2004, 245). Indeed, Howard emphasizes the presence of hasty generalizations about the U.S. welfare state, which in their nature encourage skewed perceptions about the benefits available to individuals and groups in the system. One such example of this can be found in Howard's brief case study of United States Housing Policy.

Under the traditional welfare policy analysts' microscope, which Howard uses to mean the basic measurement of direct government spending in areas like social insurance and grants, we see that when exclusively examining public or low income housing subsidies, the United States does very little, relative to "government subsidized residential units" among all the affluent European Union based welfare states. In fact, the number of such direct subsidies for housing units as a percent of the total housing units represents "less than 5 percent of all residential dwellings in the United States. Government subsidized rental units account for about 15 percent of all dwellings in France and Germany, 25 percent in the United Kingdom and Denmark, and 40 percent in the Netherlands" (Howard 2007, 20). However, this picture

of U.S. Housing policy is incomplete according to Howard. Instead, policy analysts must broaden their measurement perspectives to include different policy tools which may indirectly address welfare issues like subsidized housing without visible public spending programs. Some of these policy tools include low interest loan guarantees for low income individuals looking to buy a house as well as tax credits for new home owners. Back to the case study regarding U.S. housing policy coverage, “if we conservatively assume substantial overlap between home owners who receive benefit from loan guarantees and tax expenditures, then total U.S. assistance to housing would be in the range of 35 to 40 percent” (Howard 2007, 20). This stark difference as compared to the initial 5 percent coverage is not just an isolated occurrence but instead represents the fairly standard way in which the American welfare state is misunderstood and the ruler by which analysts compare welfare states is insufficient. Howard paints a fairly optimistic portrait in this way, but Hacker and Mettler would note the type of interests that are backing this conglomeration of visible and invisible housing assistance policies are the most important factors in determining both why the U.S. operates so differently than other developed welfare states around the world. In particular, to ascertain the interests reflected in the policy decision making, Hacker wishes to look at the targets of policies as well as the “political feedback effects” those targets have on the legislative process. Thus for Howard’s housing policy case study, Hacker might explain that the reason it appears so lackluster at first glance is because the targets are not so focused on offering the social protection to the poorest members of society who, like in other welfare states, would otherwise not be able to afford housing. Instead, the American tax expenditure and low interest loan guarantees are targeted more at supporting the middle class voting and tax base. In this case, there is strong political motivation to allocate spending to this group of

the population; however there are clear political problems with visibly targeted constituents based on support rather than need as can be observed in many experiments conducted by Suzanne Mettler which show that individuals across the income levels “once informed of policy effects, were inclined to articulate policy preferences that favored the interests of the less well-off” (Mettler 2011, 65). So in this case, there is less visible assistance distribution and a policy strategy which is meant to obscure the scope and targets of housing policy in the US.

Nevertheless, the idea Howard is underlining is this: there is more than one way to finance or satisfy welfare policy objectives. This is certainly an observation which is critical to pay attention to. In an individual centered society like the United States, these different tools can even include government regulation in the form of what Howard calls “publically mandated private social expenditure” (Howard 2007, 18) or even the personal pursuit of legal compensation from private actors. Either way, the American welfare state certainly functions in its own unique way and does not and should not necessarily be confined to the measuring tools set by different European welfare state. This point is made more clearly with an example regarding the percent of GDP which is distributed among different social expenditures. Under the traditional scope we see that the United States falls pretty much at the bottom of affluent welfare states at approximately 15 percent of GDP according to table 1.1 (Howard 2007, 15). However, there is plenty of evidence hinting that the indirect policy tools of the American welfare state are not that small and in fact are really pretty average among the low spending welfare states like Canada and the UK. But the percentages of spending might not do actual spending figures any justice. Take the comparison laid out by Howard, which shows that Bill and Melinda Gates only spend about 2

percent of their annual expenses on food, which as compared to the national average of 14 percent would, at face value, appear to be an appalling gap. A gap which might suggest malnourishment or starvation. However, as Howard points out, “with people as rich as the Gates family, it might make more sense to calculate the spending per person. The same is true when comparing the size of welfare states” (Howard 2007, 23). In other words, “because the U.S. has the largest GDP and GDP per capita...the U.S. government can devote a relatively smaller share of its GDP to social welfare and still spend more per person than those nations devoting a higher share of GDP” (Howard 2007, 23). A fair point certainly, but the picture still remains fuzzy when we put Howard’s claim for the U.S. welfare state, which argues traditions of less spending might not actually mean “less spending,” particularly when we apply Hacker’s important questions which consider the targets and political factors of policy development strategies. These two claims put next to each other might suggest that the United States is not unique so much in what it contributes to social assistance but rather unique in whom it has chosen to design its welfare state around as the primary recipients. This experience is particularly problematic because it highlights the limited awareness and, in turn, the capabilities of social consensus building on future policy decisions. In other words, it makes the point that the American welfare state promotes growing social inequality. But is this merely an inherent trait of the American welfare system, where some are meant to be left out while others cared for based on “past social policy choices [which] create strongly vested interests and expectations” (Hacker 2004, 245). Or perhaps, as Suzanne Mettler would argue, there is a visibility issue within policy development and the fate of welfare programs to be skewed towards the powerful and entrenched political interests only holds true so long as the design and delivery mechanisms of such programs remain hidden.

Complications in the Two Tiers Model

Under traditional lenses of policy development the answer may have seemed clear, and the evidence may have sufficiently supported a path dependency argument without much room for disagreement. However, there are now gaps in the evidence where authors have shown growing support from groups, “including majorities of Republicans and high earners,” for the expansion of the EITC which gives tax refunds to poor working families (Mettler 2011, 65). Clearly, these two competing policy development theories hold important implications about the understanding of future social policy design within welfare states. This important query is one that must be remembered and is further explored by Howard in chapter two of his book, “Tracks of My Tiers,” which is both an examination of the popular two-tiered model of the U.S. welfare state as well as a reconstitution of one of the overarching themes of his book, outlining the “need to describe something accurately before trying to explain it” (Howard 2007, 26). Similar to the misconceptions regarding the size and scope of the American welfare state under traditional measures, Howard argues there is a large level of misunderstanding associated with the defining of the American welfare state from within, as a “two tiered” system. The main idea behind these two distinct and separate tiers is to separate those policies which represent wide bearing and generous social insurance programs for the general population versus more stringently regulated means tested programs of social assistance for the poorest segments of society. Analysts of the American welfare state seem quick to jump to broad generalizations and look primarily to single programs by which to make these comparisons. Of course, this trend would seem to be in keeping with the path dependency model, and as such, is what Howard classifies as an example of the wrongheaded analysis offered up by path dependency theorists. Further Howard aims to

reveal the narrow understanding of path dependency, showing the basis of such two-tier models which compare programs like “social security [which] is supposed to represent the upper tier of European style insurance programs” (Howard 2007, 29) and programs like the Aid to Families with Dependent Children. However, anyone who looks closely can see that there are numerous issues with using such skewed policy models, even within the two tiers. The major problem with such a misunderstanding of a two tiered system stems from the weight of the assumption of political endorsement which goes with it.

There is a clear and reasonable purpose behind a two tier system, as well as the general arguments of path dependency; it seems a perfectly reasonable interpretation of many welfare programs and as such a reasonable predictor of future policy behavior. Undeniably, by drawing a bright line in the sand based on who benefits and how they are allocated those benefits, helps to clarify which programs carry more political and social weight in the form of voting support. In a welfare state which is attempting to redistribute scarce resources, particularly in tough financial environments, it would make sense that “Upper tier programs are supposed to be favored because they serve a larger number of politically powerful individuals” (Howard 2007, 30). However, if the line that is drawn does not accurately capture the situation, it is much harder to make accurate politically weighted decisions regarding support or targeted growth in specific spending sectors. In other words, the questions of how much and for whom, are more complicated issues than are given credit in a two tier system. In order to factor in how much and for who, it is imperative that we identify and measure the different factors which influence the uniformity, generosity, beneficiaries and trends of spending across different programs. In particular, authors like Suzanne Mettler

argue that the shape of policy support falls along a continuum rather than a cluster of two types of welfare programs with predetermined levels of support and political longevity.

In general, there is an ideal deference towards programs like Social Security and Medicare which can deliver relatively uniform benefits across different social groups on a national scale. Certainly some groups receive more money from social security depending on earnings history, yet the idea remains that “everyone effectively plays by the same rules” (Howard 2007, 32). However, not all top tier programs are able to accomplish such broad social insurance schemes, just as not all bottom tier programs are so limited to small constituents of the poor. However, uniformity among programs is fairly difficult to measure in the American context because of the unique influence of different states in determining coverage and benefits. That being said, it is clear that while certain programs in both tiers are limited by state distribution of services such as Medicaid, there are plenty of middle ground programs which reside in both boxes that are completely nationalized and uniform in appearance. Programs such as food stamps and unemployment insurance which “fail to respect the boundaries of the upper and lower tiers spells trouble for theories of the two tiered welfare state” (Howard 2007, 35). Again, this is problematic because if the lines between the tiers are blurred, along with who is included and by what rules (i.e. how the policy is carried out state versus nationally) they are given coverage, so too blurs the predictability of social responsiveness to investment or cutbacks between from one tier to the other.

Another couple of important assumptions that must be challenged in the two-tier system is whether or not upper tier programs are actually more generous than lower tier programs as well as whether upper tier programs receive significantly more diverse and unified support from beneficiaries than those lower tier programs? Again, there is the hint

that along the extremes of both tiers the general theory of the system seems to remain in tack, however significant outliers are present. In particular, Medicaid represents one means tested program which not only bucks the trend of expectedly lower generosity in programs designed as effective redistributive handouts but it also affects a much wider breadth of the constituency than a majority of supposedly broader social insurance programs of the upper tier. Specifically, Medicaid breaks barriers because it is consistently more generous per recipient than similar social insurance programs like Medicare where the average benefit per person is 10,000 and 6,000 dollars respectively. Further, the Medicaid benefits extend beyond the typical poverty cliental “to families with incomes almost twice the poverty line and pregnant women up to 133 percent of the poverty line” (Howard 2007, 38). Thus Medicaid, a means testing program which continues to undergo expansions under legislation like President Obama’s Affordable Care Act, almost serves the same role as those top tier social insurance programs which are highly supported for their theoretically wider base of beneficiaries. As for future policy implications, Howard seems to argue that those programs which are able to broaden their beneficiary base, whether it be means testing or social insurance, those programs “are supposed to grow faster and resist cutbacks” (Howard 2007, 40). Under this assumption, it makes sense that Medicaid would be growing at a high rate despite the traditional belief that only life-cycle social insurance which has an inherently broader and visible recipient base, would grow faster. This expectation was empirically dead on, and showed that “Medicaid expanded at a remarkable rate of 14 percent every year (between 1980 and 2000)” (Howard 2007, 40). Such startling figures help break the illusion of a major political and social separation between the different types of programs across the boundaries of the construction of a two-tiered system. In fact, when determining the public

support of these programs and the political weight therein “the ratio of people wanting to increase versus decrease spending on the poor is virtually identical to the ratio for social security (the most popular and politically charged social insurance program within the American welfare state)” (Howard 2007, 46).

Invisibility

In essence, the reality of the American welfare case study is personified by the shifting shadows of different investigative lens and assumptions. Now that we have broken down what is happening in the American welfare state, it is necessary to clarify and reorganize the factors which may be most helpful in rooting out some generalizable themes in the narrative of welfare policy development. For two authors in particular, Mettler and Howard, the narrative is dominated by a concept of invisibility which aims to explain peculiarities embedded within the welfare state such as the expansion and success of certain programs in both tiers over the others. Additionally, both theorists use variables of visibility and invisibility in order to explain the presence of a similar value based welfare states, like the US and the UK, which pursue very different welfare programs with disproportionate levels of redistribution and inequality.

However to understand these concepts of visibility which may help explain the decision making patterns of different states it is first important to look at literature explaining the policy process and particularly at what limits policy decision options. The principal factor in understanding this process which captures where the power lies in policy development and sustainability is the social constraints associated with a policy decision. These social constraints take the form of the bargaining power of targets, which can be divided

categorically into the sources of the support necessary to back state programs. When it comes to welfare programs, authors and policy makers all have to factor in the effects of programs on three distinct populations with which the programs may interact. The success of certain programs over others is often tied to how directly or indirectly these programs are able to impact the targets of the policy, the funders of the policy, and the general public opinion generated from policy decisions for which the state must ultimately answer, in a democratized welfare state.

Beneficiaries of Policy Matter

In particular, careful framing of who will benefit from a policy can be the most important factor for determining the future success of a program. When choosing either expansion or retrenchment, it is important to understand that the targets of a program typically have a significant impact on the perceptions of those who financially support the program as well as the public constituent base which ultimately judge the allocation of spending on specific groups of individuals over others. In traditional welfare state analysis, authors like Gosta Esping Andersen and Duane Swank push forth cultural explanations to explain different trends in welfare targets and comprehensive policy efforts. This belief comes into the purview of Andersen's "Three Worlds of Welfare Capitalism" model which works, for all intents and purposes, as a culturally path dependent framework primarily focused on the target of a program. In other words, some groups inherently have legitimacy while other do not in a given welfare system and the level of expected assistance are similarly engrained with blanket checks written against a groups societal worth. For instance, the two polar categorical "Worlds of Welfare" show that in a "Liberal Welfare State" like the

United States or Canada, there is bound to be less protections and resource redistribution because of deep-seated values of individualist, winner take all institutions; while on the other hand, the “Social Democratic Welfare States” of Scandinavia feel strongly about government responsibilities to protect and provide for its citizens to ensure that nobody goes without basic standards of living, education and health care. In essence, the argument is that “welfare states are path dependent in that the cognitive and political consequences of a past policy choices constrain and otherwise shape efforts at programmatic and systematic retrenchment” (Swank 2005, 188).

However, at least in the American context, Christopher Howard has proved that there are significant outliers in the form of successful programs which target the poorest segments of American society. In other words, the evidence would suggest that even if interests are dramatically entrenched along class structures, and the distinct level of worthiness afforded to members of those classes, the status of a recipient is not inseparable from the financial fate of a program. Specifically there is evidence which shows that certain programs, like the EITC, Medicaid and Food Stamps, have grown more quickly than all “upper tier” programs. Howard explains that the reason for this is the much hidden mechanisms through which the American welfare state operates. In other words, the fact that the EITC works as a tax credit, as well as guaranteed loans, makes new home ownership more affordable and accessible. There are lots of non-institutionally recognizable program delivery mechanisms like the EITC, which the American welfare state draws upon in relative secrecy. Further, it is the fact that these programs are invisible that further allows them to be successful because in the American system, Howard argues there is a reason for the assumption that “upper tier programs are supposed to grow faster and resist cutbacks better than lower tier programs,”

which has led to the reality of programmatic inequality between targets (Howard 2004, 40). That reason is that the targets matter, the upper tier programs in that model are supposed to do better off because they are giving back to more deserving targets, such as the wealthy interest groups that make up the politically active constituency of a given community. In this social context then, where the strength of a social insurance resiliency has been established through visibly supporting the politically useful targets, the opposite formula of invisibility has been invaluable to the “means tested social programs, [where] less visibility has meant less vulnerability” (Howard 2007, 95).

The world of welfare policy development has undeniably been molded into a complex and layered entity which is by its nature hard to see and even harder to track. This especially true regarding the idea of making it known to the beneficiaries and potential beneficiaries what there is to gain and what is being lost by utilizing such under the radar welfare schemes. Suzanne Mettler finds major dissonance with an argument for institutional disengagement from the targets of social assistance programs. The most pervasive reason is that the invisibility reinforces the inequality of program distribution through disenfranchising the recipient base of hidden programs. The central idea behind this visibility problem for Mettler is that “people cannot be expected to take action to advocate for or express opposition to policies of which they are scarcely aware,” which holds true not only for those recipients of policies but also for the wider collective social base (Mettler 2011, 28). In fact, she argues that the submerged state problem is dangerous for the recipients of programs because it enforces what Mettler perceives as an unfair playing field. Instead of the traditional assumption about welfare politics, which calls upon factors of path dependency and cultural biases to explain the inequality within the American welfare system, Mettler identifies the

trend that the submerged state unfairly allows for certain interests to organize, while others cannot do so, and have no knowledge of the stakes involved. Further, it is “these organizations representing powerful interests in the submerged state that have amplified their political voice over time... Moreover, unlike visible policies that more readily attract group loyalty, policies of the submerged state are typically too hidden and their status too unclear to generate such affiliations” (Mettler 2011, 35).

Understanding Interest Groups

To reiterate, Mettler feels that one major problem in the submerged welfare state is that it is designed to be advantageous to special interest groups with an understandable bias towards upwardly distributive programs. In order to determine the validity of this line of argument, we must critically look to those making the important decisions and how they are influenced. Naturally this means looking at Congress, but generally speaking it is easier to expand the discussion to the general legislative process since decisions at both the state and national level may have critical impact on the shape or even realization of a program. For Mettler, the evidence shows that the only way to undermine special interest groups and effectively what looks like collusive policy behavior by actors like the banks, AARP, and home builders/realtors associations which manipulate how policies are delivered is to interrupt the current legislative process. Mettler asserts that the more visible programs are made, as well as the more specific information available on the specific recipients of programs, the less free interests groups will be to influence policies outside of collective social decision making.

In sum, Mettler finds that the legislative process is incentivized to provide benefits, or entitlements, to those engaged in the process and able to mobilize their interests in the form of lobbying dollars and special relationships with members of the legislative bodies. Naturally, the poorest segments of the population are at many significant disadvantages when it comes to mobilizing as a community. One key reason is that segments of the unemployed or other poor population are effectively disenfranchised of a collective voice because they are unlikely to see themselves as part of a unified community. Additionally, they cannot mobilize a lobby effort because aside from organizational challenges, the poorest segments of the population also do not have the resources to compete in national politics. Further, Mettler argues that once these types of interests groups are able to establish a threshold within the legislative process they “yield what are called policy feedback affects” (Mettler 2011, 32). Policy feedback is a term coined by theorist Paul Pierson who examines the power of different types of actors and interests, and simply helps to explain the idea that once established, entrenched interests create “incentives as a reward for going along.... Making reform efforts all the more challenging and costly, both in financial and political terms” (Mettler 2011, 32).

Mettler grounds much of these arguments regarding the “political power of interest groups... [which] present profound challenges to reformers and imperil the success of the legislative achievements they manage to win” upon the idea that the most important audience of the welfare policies are the general public, who if enabled through open information, can alter the reality of inequality in the welfare state (Mettler 2011, 36). This would of course provoke much disagreement from the traditionalists, like Andersen, who believe that the national values of American society would not allow for this seemingly naïve interpretation

of the power of greater democratic participation. However, Mettler's argument also offers some major problems for Christopher Howard, who also argues that the secrets to understanding the welfare state are rooted much deeper within the interplay of public sentiment and the political process, which at times manifests programs that certainly remain somewhat hidden from the general public and invested onlookers. However, in this way Howard argues that the most important audience of any policy stands firmly within the legislative process. In particular, the targets of policies are not determined by interest groups, but instead by political actors and a scale weighing program costs versus the political legitimacy of the target. Of course, there is no doubt that a lobby effort and political activism can have some real world implications. Howard, for instance, cites the success of housing subsidies, which through careful pressure on elected officials resulted in "between 1967 and 1995, the total cost of the mortgage interest deduction increasing by almost 7 percent a year, adjusted for inflation" (Howard 1997, 144). However, the main crux of legislative success for programs can be boiled down into two specific factors: is there a bipartisan target of the program, and are the costs of such a program visible?

With regard to bipartisan support, Howard is basically making the claim that for a welfare program targeting the poor not to be a "poor program," support must be stable enough to endure the changing of political priorities with the coming and going of different political parties. This type of support is best categorized by the success of the EITC which enjoyed executive backing by regimes as far apart politically as the Reagan and Clinton administrations, under which the program experienced significant periods of expansion both in terms of eligibility and benefits. This broad based political support can come about for several different reasons. The first of which is creating "social policies aimed at more

deserving recipients, such as children (Medicaid) and the working poor (EITC)” (Howard 2007, 95). Compared to Mettler’s critique of the legislative process, which found fault with the potential for favoring special interest groups and subsequently upwardly distributive policies, Howard offers a much kinder explanation: the legislative process gives deference to politically credible targets and the organized will of middle class beneficiaries that often make up these interest groups like the AARP, and can easily be portrayed as more politically legitimate than the unemployed.

One major mistake of the American welfare experience, according to Howard, is that it has a habit of creating negative connotations associated with such forms of government spending. For example, in the 1960’s the “War on Poverty promoted racial equality... [and in doing so] created a backlash against the welfare state” (Howard 2007, 94). However, just because a program is seemingly well intentioned and framed as a unique program which may escape the negative “social handout” biases associated with welfare programs, there is no guarantee of safety. The second way that a program can obtain support is by imbedding itself in the legislative process of congressional politics. Particularly, this form of support gathering is most successful in the presence of a divided government. One clear example of this is when President George H. W. Bush supported and defended the expansion of EITC and Medicaid “in order to win over some Democrats in order to pass their (the Republican) budgets” (Howard 2007, 101). Often this political give and take occurs in the form of “key provisions tucked away in massive, complicated bills” (Howard 2007, 101). Such a process is more commonly recognized as one of author Jacob Hacker’s four-pronged policy map, under the term “policy layering,” which is the phenomenon of surreptitiously embedding an existing policy with add-ons and reconciliation acts rather than a formal and visible overhaul.

This form, as well as the other forms of “under the surface reforms,” which transitions the successful policy development from Howard’s first standard to the second, where the key to success is determined by the visibility inherent within the costs of the welfare programs (Hacker 2004, 246). In particular, programs that are traditionally found in what most traditional welfare analysts call the lower tier of social assistance programs which are supposed to face the most vulnerability because they are programs which are limited both in scope of public support and feasible visibility. This is an erroneous assumption according to the likes of Howard, who suggests that policies are most successful when they are embedded in the legislative process because it creates a lesser burden of constituent support and thus lower exposure to public scrutiny and legitimacy as a use of government funds. Such logic can be used to explain the continued political support of means tested programs, despite the “pejorative connotations of policies targeted to recipients they perceive as undeserving” (Mettler 2011, 40) In other words, the limited exposure of a program can sometimes make up for the deservingness of a target, but taken together the level of bipartisan support garnered through target credibility as well as the visibility of costs of the program to the general public helps to explain why “one can find examples of political success and political failure” (Howard 2007, 106) in both tiers. The key then for Howard can be found when there are less publicly powerful defined targets of a program such as children, or the unemployed. In these situations, legislative actors must utilize a policy program where the costs are less visible in order to deliver social assistance where it is most needed.

When do the stakeholders get a say?

Unfortunately, looking to the Mettler and Howard models of welfare assessment, there seems to be a stark lack of public consensus building and will formation within the American welfare state. Yet, this is not a particularly uncommon assertion within the literature. In particular the recent book authored by Benjamin Page and Lawrence Jacobs, “Class War,” further accuses the political process within the United States of purposefully distracting the constituent base along racial and moral motivations rather than issues of inequality. The idea is that there is fostered political passivity in certain areas of public discourse. However, specifically for the success of future social assistance programs targeted at the margins of society, the rub of the submerged state’s invisibility is a major problem for Mettler and needs to be rectified, while at the same time a saving grace for Howard, who argues that the process should just be left alone. Howard, it should be said, concedes that there is significant levels of inequality in the United States but assumes as a juxtaposition to Mettler that an increase in visibility would only lead to greater inequality and it is only the lack of such visibility that allows the political parties to do the right thing and provide at least some redistributive programs to politically less deserving or less powerful recipients.

For Suzanne Mettler on the other hand, the driving force of her theory says that the invisibility of the policy process obstructs the ability of the American citizens to have their say. In particular she reasserts “the idea that public policies should reflect the will of the majority of citizens” (Mettler 2011, 67). Further, if you remember back to the Andersen model he is saying more or less the same thing based on his idea that national values are the driving force of policies. However, Mettler sees this relationship as being prevented from taking place which has allowed the narrow organized interest groups discussed above to

cement their distribution initiatives and policy support. If this is true then the submerged state is designed to prevent public discourse and block national value preferences in policy decision making. However, this would only be meaningful for Mettler if she is correct in assuming that the current invisibility has led to the neglect and mistreatment of the beneficiaries at the margins of the market economy who would theoretically receive more benefits with more visibility and public support. This might not necessarily be the case according to Howard who claims that there is a sort of obstructive invisibility within the policy decision making process, but that that invisibility benefits the marginalized communities more than if there was greater transparency of programs and recipients. Namely because in the liberal value context, social assistance is most often given a pejorative context and most recipients who receive them, particularly men in the working years of their lives are seen as delinquents of the system, and as such would not be likely to garner more assistance when left to the mercy of public opinion and discourse. In other words establishing values can be seen as the most important determining factor of how and why assistance distribution is allocated the way it is among all authors and literatures and as such will be a major focal point of my study.

State of the Literature

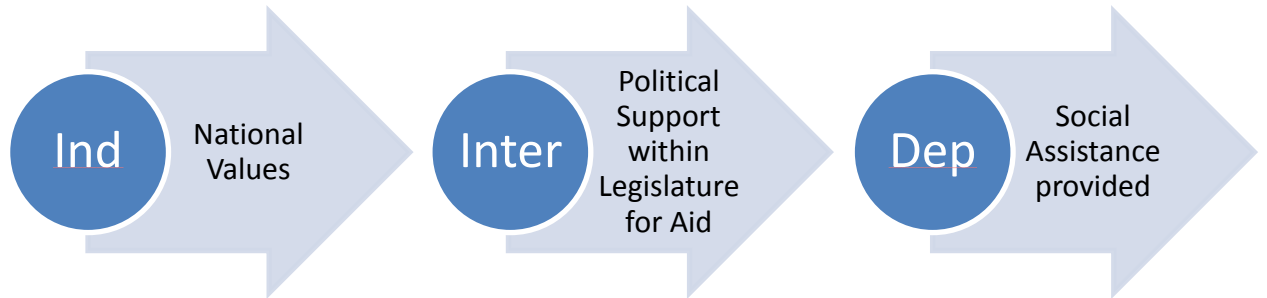
In sum, there seems to be deviation amongst the policy packages being pursued by these facially similar liberal welfare states and how theorists explain why those results are happening. So in order to capture why developed economies in the liberal welfare state facing similar socio-economic constraints, like resources available for redistribution during a crisis, may choose to engage in such different policy output options regarding targeted social

assistance to a growing population of high youth unemployment; the purpose of this study will be to critically examine whether the divergence in state support spending is real, and in particular, why some states are spending more rather than less in reaction this group of unemployed youth emerging out of the major financial crisis of 2008. This goal outlines my basic research design and desire to identify a clearer explanatory model of changing policy trends of the liberal welfare regimes, but before I can test these models forwarded by the literatures spearheaded by Gosta Esping Andersen and Suzanne Mettler, I must first elaborate on how I have chosen to define and operationalize their models within my research design.

Chapter 2: Theory and Methods

The United States, along with the rest of the world, finds itself facing major economic challenges in the wake of the stagnant recovery from the 2008 financial crisis. Furthermore, in the aftermath of this major recession, specific communities have found themselves at risk or in need of targeted social assistance. In particular, growing populations of unemployed and underemployed youth have begun to experience hard times as the new and growing marginalized community throughout the variety of different systems of welfare distribution. However, the cluster of liberal welfare regimes, as described by Gosta Esping Andersen, in theory offer the most problematic and vulnerable situation for this community because of the assumed national values of market competition and self-reliance. This paper aims to critically look at this conventional wisdom about the motivations and key factors at play in welfare policy development within two liberal welfare regimes the United States and the United Kingdom. The research goal will be to understand how these welfare systems react to the growing at-risk group of unemployed youth in the aftermath of a major global economic meltdown. I will do this by framing the welfare institutions of the United States and the United Kingdom through two competing models of analysis, one formed primarily from the traditional factors enumerated by Andersen, and the other, stemming from more complex dynamic model based on the work of Suzanne Mettler.

Chart 1.1 Andersen Model of the Welfare State



Above in Chart 1.1, we see what is the basic framework traditional theorists such as Andersen use to explain the different pattern trends among his three distinct models of welfare policy behavior. In particular, he argues that the distinguishing factor between his models of behavior is the divergence between different sets of national values which in his mind initially bifurcate along preferences regarding de-commodification and marketization within the welfare state. For the liberal welfare states, including the United States and United Kingdom, their national values orient themselves in a market centric way. As such, Andersen asserts that this society is more individualistic at its core and inherently stingier with regard to offering greater social assistance under any conditions. This is important because it means that these liberal states are more sensitive to the economic constraints of state governments during a recession whom are working to reconcile the call for austerity measures and the cutting back of government spending, even in the face of growing socio-economic needs from at risk individuals. Further, Andersen goes on defining and comparing the particular national values of a society as the key determinant of policy patterns, where these values¹ are

¹ Values are used in reference to national values representing aggregate opinions rather than sup groups of the population.

regarding particular views of program legitimacy. The importance of capturing such values as the independent variable is understandable in this case because it should follow that in an advanced democratic state policy, decisions are checked through public opinions and values which mirror national values.

Moving forward in the causal chain above then, it is clear that the idea of political support within the legislature for the aid provided by programs is a mere function of the national values. When these national values of program legitimation are funneled through the second tier of the chain however, they take on a different identity. They become conceptually similar to what Habermas and contemporary authors such as Ingraham and Schneider call “legitimation rationales which justify the agenda, policy goals, selection of target populations and the tools chosen” (Ingraham and Schneider 1993, 339). Once this process is established, deciphering what those original national values were is very important to public officials because “they find it to their advantage to provide beneficial policies to the advantaged groups who are both powerful and positively constructed as deserving because not only will the group itself respond favorably but others will approve of the of the beneficial policies being conferred on deserving people. Similarly, public officials commonly inflict punishment on (in the case of social assistance punishment usually means neglect) negatively construed groups who have little or no power, because they need fear no electoral retaliation from the group itself and the general public approves of punishment for groups that it has constructed negatively” (Ingraham and Schneider 1993, 336). These values are limited in the Andersen model of the welfare state however, where rather than ideas of appeasing the powerful and neglecting the weak, Andersen believes all policy decisions are legitimized based on a much

simpler and value based rationale which clusters different patterns of targets and levels of appropriate spending into his three worlds of welfare.

Andersen predicts that in the final chain of analysis, the shape of welfare policy will be applied universally to the in-need population based on basic qualifications determined by these compounded national values which have been refracted through the legislative process and churned out specific policy trends of specific spending platforms. For the liberal welfare state such trends are assumed to only provide benefits to those individuals unable to compete in the market or are otherwise temporarily marginalized by forces beyond their control.

Additionally, the nature of such rationales and targets of policies are likely to be re-entrenching over time because the distribution of power and social constructions of who is deserving tend to be influenced by the past national values and policy decisions. This is the phenomenon that Andersen and many other analysts call path dependency, which for all intents and purposes closes off the model as a self-perpetuating process. This is because for Andersen national values are seen as constant and reliable identifiers for these states.

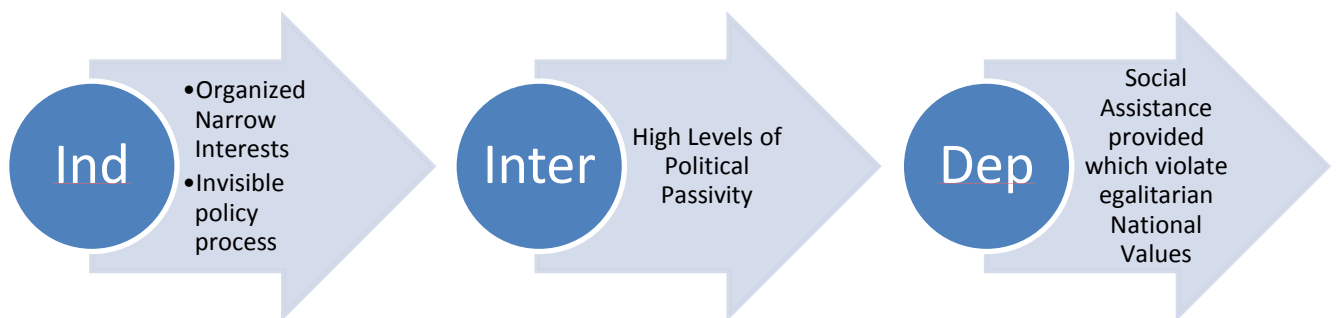
Specifically for the United States and the United Kingdom, this model is meant to predict similar policy behavior based on shared liberal values which distribute assistance which will only possess marginally redistributive. Thus, the expected reinforcing identity of the liberal welfare state is supposed to provide for only minimal forms of standard of living protections to state dependents and other delinquents of the market economy. These assertions do not bode particularly well for the unemployed youth of the western Anglo-Saxon countries that make up the cluster of Liberal welfare states; however there is an assumption that there will be assistance provided and that any assistance available will be narrowly distributed to those

groups which have failed to provide the basic necessities of life for themselves like food and shelter, more or less free from other potentially mitigating factors such as race or age.

Mettler:

Naturally, in the world of policy development and analysis Andersen does not possess the only lens with which we may observe the problem. Additionally, it is unsurprising that Mettler finds issues with Andersen’s framework which he uses as a key to explaining policy trends from the past, present and future. Instead Mettler argues there is much more going on than meets the eye (quite literally).

Chart 2.1: Mettler Model of Welfare State



Most notably, Mettler supplants the motivating independent variable of national values for “organized narrow interests.” This is because for many authors, including Suzanne Mettler, Cristopher Howard, Benjamin Page, Lawrence Jacobs, and Jacob Hacker, the social assistance being provided is not being done according to national values and opinions. This

position is based on numerous surveys and public opinion data which attempts to get at determining these national values as they relate to preferences in the shape and distribution of social assistance in the American society. There is a significant level of data in the United States which shows that the shape of assistance given is in fact upwardly distributed and the primary recipients are not, as Andersen asserts, marginalized state dependents relying on social welfare expenditures. This is in violation of what Jürgen Habermas describes as a legitimation crisis “where modern governments must explain why democracies concentrate wealth and power” more generally in society (Ingraham and Schneider 1993, 339) which is supposed to check the government’s power to distribute unequally or not in accordance with national values. Mettler argues that this happens because of an invisible policy process in the United States. Further, greater program visibility and an adherence to the policy legitimation helps explain why the shape of assistance distribution appears to be quite different in the United Kingdom where the distribution patterns, while still not generous compared to other welfare states, are much more neutrally and universally distributed along qualifications of need. The primary explanation for this phenomenon, indicated by theorists in Mettler’s camp, believe the legislative process, specifically in the United States, is being steered away from genuine collective decision making. In fact, genuine collective decision making in the public, as Mettler defines it through extensive survey data, with surveys offering specific program data, is indicated as being more egalitarian in nature than conventionally understood and that general cultural assumptions of pure market dependency and conservative individualism are not quite accurate. In other words, one reason that Mettler finds particular issue with the model as outlined by Andersen is that national values, the primary factor for explaining

welfare state behavior in Andersen's theory, are not verified in her survey data showing instead that those values move in the opposite direction expected in Andersen's model.

Mettler blames the policy differences on what she labels as an invisible policy process in her most recent book, "The Submerged State." The invisible policy structure she finds fault with is what she defines as a lack of direct and visible connections between programs and the government institutions that support them. This is particularly problematic because, to her, the creation of invisible programs with hidden recipients flies in the very face of social consensus and the ability for individuals to assert their opinions on target legitimacy before those values are turned into legislative initiatives. Additionally, this is problematic because this interruption of national values regarding target legitimacy and popular opinion of programs appears to be a reinforcing one. Many authors (Hacker 2004; Handler 2004; Korpi 2003; Piven and Cloward 1979) note that special interests, upon achieving a threshold in the political process, are able to block attempts to effect change which undermines those entrenched interests. In other words, it is merely those organized interests which are feeding into the legislative process and with the help of invisible legislative tools, such as tax credits and publicly mandated private expenditures rather than explicit social insurance handouts; those interests are able to prevent unwanted challenges from the greater society at large. The independent variable of an invisible policy process helps perpetuate the organized narrow interests while at the same time working to promulgate what Mettler calls political passivity. In this way the invisible policy process may be seen as a process of obstruction which works congruently with the other independent variable, organized narrow interests, in order to determine the outcomes of in the dependent variable of policy outcomes which violate egalitarian national values.

Political passivity is a measure of social participation and will formation, either in affirmation of or in opposition to specific legislative decisions. For Mettler, the political engagement of individuals or groups with regard to their awareness and ability to support or oppose a policy is severely hampered by entrenched policies preserved by an organized few and the majority of people have become politically passive because of the obstructive invisibility within the policy process leaving a lack of information or evidence available to indicate that a legislative decision has been made. She believes that it is these factors together which project political passivity on society and diminish the perceived need to organize or mobilize in support of specific values. Thus, for Mettler, there will be a perceivable difference between the United States and the United Kingdom because the levels of policy visibility between the two countries are drastically different with the U.K. employing more visible legislative tools than U.S. counterparts. As such, there should be far less discrepancy between the picture of United Kingdom policy behavior when framed by both the Andersen and Mettler lenses than is hypothesized to appear in the American welfare state.

Mettler, as well as other contemporary welfare observers, suggest that the disconnect between welfare states with similar national values and yet differing observed distributions of social assistance, in the end boils down to policy tools with varying levels of visibility being utilized to carry out the specific goals of a few rather than an engaged populous with structured values determining who should have resources as they are being redistributed.

In other words, the welfare states of the U.S. and the U.K. have found themselves at a critical decision point in relation to extending their social commitments of targeted protection to an unprecedented group of under-30 unemployment in terms of developing policies of exclusionary retrenchment versus inclusive expansion. In essence, the scenery of these

welfare regimes are changing during this economic crisis and, these models will help determine if this change also means diverging away from each other regarding policy output and the differing levels and types of state support offered. This change however, comes at a crucial moment as American and British welfare states find themselves facing a new class of welfare program consumers in the form of surging youth unemployment rates. This means that the decisions welfare states are currently making regarding the level of state based support, as a function of state spending, will have crucial impacts on the future of this group and future impact they may have on each country's economy. This is clearly an important historical juncture for the welfare state because radically high levels of youth unemployment will threaten the very fabric of their economies as well as risk the balance of their societies.

Methods:

Taking into account my question: How will the liberal welfare regimes of the United States and United Kingdom respond to growing youth unemployment according to two opposing models of policy behavior? It is clear that I am essentially drawing a comparative framework around differing public policy trends and the potentially similar or different social movements that are driving them. Based on that notion, I have chosen to utilize a combination of two different, non-experimental research designs in order to observe the validity and reliability of these hypotheses. The primary tool I will be using is a comparative case study analysis. This plan of action is primarily guided by the teachings of Eric Moskowitz, professor at the College of Wooster, and Robert Yin, an expert in the use of case study research. Moskowitz said in a 2013 lecture that case studies are incredibly useful when trying to understand why some complex phenomena are taking place (2013). In this context, there are very few social phenomena that are more complex than changing state behaviors.

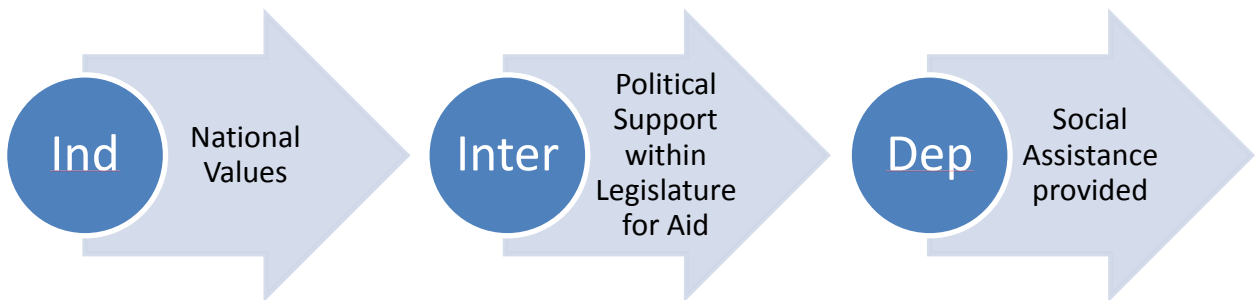
Yin further described using case studies as a tool to “explain the process of how and why something happens” (Yin 2009). This is precisely the goal of the stated research question above. So this design feeds naturally into the stated needs and goals of this study where I will be comparing the cases of the United States and the United Kingdom. The reasoning behind this selection is based heavily on the ideas of the method of agreement approach to case selection where the US and the UK, according to data from the OECD and the International Labor Organization, have approximately the same conditions in terms high levels of youth unemployment with starkly different spending characteristics. The variables at play being: similar GDP per capita; similar levels of youth unemployment at approximately 23 and 21 percent respectively; similar state capacity to pay in the form of expenditures relative to total population; and most importantly similar liberal values. Under most circumstances it would make sense that with all these similar variables the policy outcome would be the same which is the traditional hypothesis of the Andersen model presented above in Chart 1.1. However, there is a major section of the literature which finds faults with the determining variable of Andersen’s model and asserts other variables are at play which with force different outcomes between the otherwise similar states.

However, because this research is being conducted through an explanatory case study method, Robert Yin points out that there may be some issues with internal validity “if the investigator incorrectly concludes that there is a causal relationship between x and y” (Yin 2009). Perhaps a more serious obstacle to the use of the comparative case studies is the challenge of generalizing the findings of a case study design across new cases with external validity. This is what Yin describes in his book, “Case Study Research: Design and Methods,” as the “major barrier in doing case studies,” because without a careful design the

results will “provide a poor basis for generalizing” (2009). In response to this claim, I see the generalizability of this study to be fairly strong within narrow construction of testing policy behavior models within welfare states in my study. Further, the narrow scope of the research pertains only to the specific spending choices made by welfare regimes within the circumstances of a major financial recession and high levels of youth unemployment.

Before trying to understand where the welfare regimes of the United States and United Kingdom are moving, with the with the help of different theoretical works discussing how these changes are likely to occur, I must first clarify how each of my variables is going to be measured within my hypothesized causal chains.

Chart 1.2: Andersen Model Causal Diagram



Conceptually moving linearly from left to right along this chain, my independent variable is what Andersen refers to as National Values. In the world of social research, values are a common and key tool for understanding policy motivations and state behavior in democratic states. These values are most often accessed through national polling data asking specific

questions which allow a separation between the policy process and the values that are supposed to feed into them. The national polling data, conducted by different authors, while only partially available within the findings they have published along with their work can be similarly accessed in the United States and the United Kingdom by mass polling compilation services and research institutions such as the Roper I-Poll database, National Opinion Research Center, Congressional Research Service all focusing on the United States and Polling the Nations database, National Centre for Social Research, British Social Attitudes Survey focusing on the United Kingdom. These questions will be able to display the direction of general social preferences for different types of social assistance and restrictions on social assistance will give an indication to the accuracy of Andersen's predictions of finding liberal national values. In sum, the results of these questions will help determine primarily whether the values of the United States and the United Kingdom are indeed similar and secondly the answers will help determine the presence of liberal values in either case selected. Liberal answers would show social preferences, as Andersen predicts above, creating limitations when given spending options as a part of the desire to cut spending and only support those individuals whom are being failed by the market, despite efforts to engage in the workforce. Such values are individualistic and do not see welfare spending as a high priority and only something that should be extended to elderly, children, disabled and generally those who cannot possibly work and provide for themselves, but also do not wish to give limitlessly for fear of creating dependency on state support. In general, liberal welfare values are considered to be stingy and always wish to defer to the market and offer short term assistance when absolutely necessary.

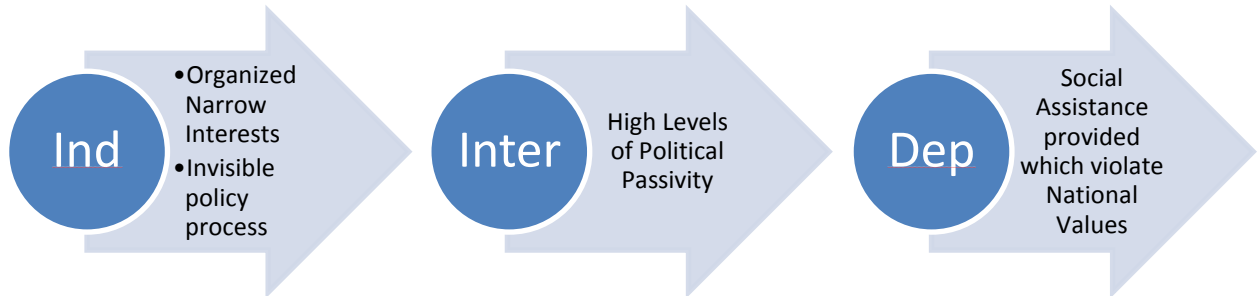
This wealth of data can be used to test the assumptions of national values and then test if the legislative intent and legislative output reflects these values as Andersen would expect in these liberal welfare regimes with stingy market oriented policy decisions. Because the intervening variable is process oriented, the best way to get at political support is to look carefully at the ongoing legislative discourse surrounding specific welfare policy development and policy platforms in order to ascertain whether the countries respective legislature is indeed invoking the national values within their policy decisions as they are supposed to in this model. The best way to pick up on this legislative discourse is to do a basic thematic content analysis of the media coverage of the different political parties' policy platforms. Andersen's model predicts mirrored themes of liberal values to appear entrenched in the language of the policy platforms. Such appearances for these different words and values like dependency and limitations to spending would show a high frequency of pejorative associations with welfare programs. Additionally, Andersen would not expect indications of major interests groups or organizations to be mentioned or otherwise be able to isolate pressure on certain outcomes. In particular, this will be accessible through the careful review of the political discourse in the media looking to sources like the New York Times, The Guardian, The BBC, and The Washington Post which will lend high internal validity within the narrow measurement of this aspect of the policy making process.

Finally, measuring the outcome of social assistance provided simply looks to the results of programs primarily in the form of distributive welfare dollars and the shape of program assistance in terms of the funds allocated to the specific group that I have referred to as the new marginalized community of unemployed youth in my study. In order to accurately assess the amount of social assistance provided to this community, I will be examining percentage

of the youth population that is unemployed where youth is defined by the portion of the labor force that is 24 years old or younger and the level of assistance that is provided to this group per capita. The idea for narrowing my age group in this manner was informed by David Bell and David Blanchflower and their article “Youth Unemployment: Déjà vu,” which finds being unemployed during this time in the working life (between the age of entering and 30) is so detrimental to the individuals value and future job prospects that it creates a further burden of dependency on the welfare programs available. However, just seeing how much of the welfare assistance pie is going to this group is not quite enough to accurately understand what the policy intent and pattern of assistance within a given welfare state. For that reason, I have also chosen to look closely at any aid given to this community through a few more lenses. For instance, it will be important to break down, to the best of my ability, the demographic of who the recipients of aid in this cluster of unemployment are across categories of age, race, and class to see if either state is particularly more generous to specific subsets of this target population. Another important way to measure the extent of aid given to this group, aside from dollars per capita, is measuring the percent of individuals within this group of youth unemployment which is covered by the aid, in order to determine if one country covers more people with less aid or conversely less people with more aid. Such a measure would add a great deal of dynamism to understanding the overall generosity or stinginess of a set of policies. Finally, aside from aid dollars it is important to also look at the types and versatility of programs and assistance dispersed by a set of policies. For instance more compressive sets of programs to help address the need for assistance would show greater generous intent than a larger one-off aid injection program.

In other words, this model looks to use poll data to ascertain values of the society which presumably do not change in this model, and as such, continually feed into and perpetuate a path dependent legislative pattern within the given welfare states which churn out expected policy coverage based on those national values and is measurable by the level of assistance provided.

Chart 2.2: Mettler Model Causal Diagram



Of course, it is evident immediately that this causal formulation is more complex and has two converging independent variables which are significantly different than the aforementioned national values used by Andersen in his model. Again, moving conceptually from left to right, and beginning with “organized narrow interests.” These interests are what theorists like Mettler believe are interjecting in Andersen’s model and what eventually are being represented and supported in the legislative decision making process. In order to tease out the presence of such interests, authors have most often relied on measuring lobby monies, and group influence and ability to access key policy decision makers and potentially provide input on specific policy decisions. Based on the need to look at the decision process as it is ongoing, this study will dichotomously measure the both the presence and power of these different interest groups in both of the traditional areas of influence. The findings will help determine which, if any, groups or interests have greater access to influencing policy outcomes than others. If Mettler is correct in her assumptions then there should be little to no access for labor organizations and any other groups of lesser resources which are not expected to receive benefits in her model. Such findings would offer the greatest indicator

that Mettler's model is capturing a key aspect of the explanatory relationship determining how and why social assistance is distributed to certain targets.

Determining the presence of interests which have the power to alter the expected distribution of social assistance within the welfare state is of major concern to any theorist testing the behavioral model forwarded by the likes of Suzanne Metter and Christopher Howard as represented in their books "The Submerged State" and "The Welfare State Nobody Knows" respectively. Yet an additional aspect of such collusive interests is concurrently dependent on their invisibility which is defined to be the lack of direct and visible connections between programs and the government institutions that support them. This is important because these authors assert the idea that when sufficient information about policy decisions and their consequences are exposed to public discourse, those interests are not likely to be able to defend their positions and outcomes will change so as to be in keeping with national values. These questions appear as questions of participation such as: have you or anyone you know received public assistance such as unemployment, food stamps or any other government funded aid? Additionally she asks questions of value with before and after aspects, determining levels of support for programs initially, as compared to after receiving specific information about who those programs serve and how they function. Based on these answers, Mettler defines certain programs as highly invisible while others are not. She argues that the invisible programs in the system outnumber the visible ones and hide the true distribution of social assistance nearly in its entirety, relying on a few visible programs to distract and obstruct the necessary information required for public protest and mobilization in opposition of unequal and upwardly distributive trends. As such, the measurement of such invisibility is crucial and, for the most part, observed in the results of which programs are

supported and which are not. Consequently, my study will be utilizing a combination of the data Mettler generated in her own survey research, which asked individuals about their experience within welfare programs in order to ascertain what their perceived benefits were, in tandem with similar survey research conducted by mass polling databases in the United States and the United Kingdom to determine the environment of invisibility present in either case. Her criteria of invisibility looks to a combination of administrative tools and delivery tools, where the administrative invisibility entails limited discourse which fails to alter or amend programs that do not conform to national values but rather are situated to better suit changing special interests rather than establishing new policies. On the policy delivery side of invisibility, she looks to lack of clarity within the programs themselves which either prevents people from accessing the assistance or knowing that the assistance is targeted to them and provided through government legislation.

The poster child of both administrative and delivery invisibility, which on the whole hides the nature of programs, and in doing so hides the true recipients, is the home mortgage interest deduction program. The reason for this is “on the rare occasion when policymakers ever talk the HMID, they typically convey the impression that it helps make home-ownership possible for middle income people” (Mettler 2011, 23). Further the HMID has been protected by well-organized and resource heavy home builders and realtor associations which have worked to expand the coverage of the HMID to 1,000,000 dollars, meaning that the associated recipients are often the more wealthy which use the tax deduction to purchase more expensive homes and inflate prices of the housing market, making home ownership to those on the cusp and in need of assistance insufficiently able to purchase a home. The HMID offers an example of one such administrative method of invisibility which funnels

resources and assistance away from those who need it and by accordance of egalitarian national values deserve it. Further, invisible delivery mechanisms make it difficult to ascertain that the government is responsible for the assistance provided, and as such, when it is unequally distributed to the most-wealthy and exacerbates inequality. However, there is no opposition or dissent among the public who would not support such allocations as a part of the values. The poster child of this type of policy is often any publicly mandated private expenditure which is given tax exempt status such as retirement benefits and health insurance benefit exemptions. Such programs allows the government to distribute assistance to beneficiaries in a more complex and convoluted way then direct social expenditures which has the added benefit for the submerged state and organized narrow interests of hiding exactly who the major beneficiaries are and how much they are receiving. Such policy patterns can be used to make important determinations. The data available from these recent studies, as well as the data compiled from the Roper I-Poll and the Polling the Nations databases, will clarify whether this invisible policy process is in fact driving passivity, a lack of efficacy, obstacles to organization and mobilization and finally driving policies which violate the more egalitarian values Mettler argues is being actively suppressed. Further, that data will help establish the level of invisibility present within the overall policy process where more invisible programs will be noticeable by the gap between actual spending distributions and socially desired distributions.

This survey data has been further used to observe and measure the intervening variable of political passivity in Mettler's model. In particular, the term political passivity, which is coined by Mettler, is essentially an extension of the invisible policy process which measures the lack of public will formation, either in support or opposition of programs. In

essence then political passivity, for Mettler, is used to explain how the invisible policy process acts to generate passive behavior within the groups of marginalized recipients not receiving their fair share of assistance and the general public which are supposed to hold the legislative process accountable to their collective social values of distribution.

Resulting patterns within what Mettler calls political passivity are therefore tricky to capture because strong negative opinions about the current distribution of social assistance were suppressed by the invisible policy process. In other words, the invisible policy process for Mettler is an obstructive force which fosters passivity out of a lack of information rather than a lack efficacy or perceived ability to change the results. In fact, Mettler argues that when this obstruction fails the public will not be passive and will change the results. In order to test which phenomena is at play, my study will utilize a content analysis in the media of organized efforts of dissent by organized groups of the at-risk communities like groups of unemployed youth. These displays of public dissent and civil disruption are going to be isolated for frequency in terms of the number of events and size in terms of the number of participants in an ordinal ranking, because different protests may carry more weight and pressure and the difference between events cannot be considered comparable as it would be if it were an interval measurement. The data for this ordinal measurement will be collected through a meta-search of media coverage of youth displays of public disruptions and protest in EBSCOhost. Mettler would of course expect there to be low frequencies of dissent where there are higher levels of invisibility and by association greater public passivity. Conversely, Mettler would expect where there is greater visibility of programs, ignoring or otherwise failing to adequately provide at-risk individuals with social assistance, the more likely they

will be able to mobilize opposition and put pressure on media to acknowledge and spread their position on the policy discourse.

With regard to the dependent variable in this behavioral map, Mettler focuses on the disparity of what assistance is actually being provided versus what assistance should be provided without the obstructive invisible policy process and reinforced public passivity. Mettler captures this gap through a summation of the distribution of social assistance to groups of recipients as a percentage of total social expenditures distributed, and how it matches up with the survey data which tells her what the national values determine the distribution of resources should look like. As for capturing both of these measures: what policies are providing and what they normatively should provide according to Mettler's egalitarian national values, in my study I will first rely on the measurements used to capture the social assistance provided in the Andersen model. Those measures were aligned along the trending amount of assistance per capita distributed to the >24 unemployment population; how those assistance dollars are distributed; what percentage of the under 24 unemployed are being covered; what different types of assistance programs are available. Next, my study will capture the normative distribution based on aggregated perceptions captured within the national values surveys utilized by Mettler who asks questions of program support before and after full information is made available. Mettler expects to see a gap between what is done and what she perceives should be done when there is greater visibility and information transparency in the policy process. She believes that such a gap, which holds greater disparity in relation to the pervasiveness of intrusive narrow interests, further perpetuated by an invisible policy process and reinforced by a certain level of public passivity, is the best way to measure and identify policies in violation of true national values. Hence, this variable is a

bivariate nominal analysis about whether the real distribution is in keeping with national values or conversely in violation of these values. The real distribution can only be determined through looking at trends of distribution and patterns of expansion versus retrenchment of assistance as it is provided to specific profiles of targets. The normative distribution will have to rely again on categorical survey data which measures the deservingness of certain targets of policies and how much they should receive. Determining whether or not these two measurements and spending patterns match will, according to Mettler, provide the clearest indication of what kind of welfare policy response the United States and United Kingdom will have towards a growing population of unemployed people under the age of thirty in the aftermath of a global economic recession. The expected results for a successful Mettler model would show a larger gap for the United States who spends less than it should according to less public participation as a product of an invisible policy process. Additionally, she asserts that the United Kingdom, because of greater visibility and public participation, will be more satisfied with spending patterns and the gap will be much smaller.

Chapter 3: United Kingdom Case Study

Part 1: Introduction to the UK Case Study

It is clear at least that policy development, and in general, social policies that are pursued by different governments can be seen as a sort of strategy or plan of action to accomplish a certain and specific outcome which policy makers would deem as a social improvement. Because the function of a policy is to affect social benefits through either a measurable adjustment to the status quo or conversely an attempt to maintain the status quo within a changing environment or circumstances, it is therefore important to understand the general patterns of policies and strategies that have been pursued in order to understand the likely goals of the state. These evolving goals which are intended to address the ever changing social needs of the state helps to better encapsulate major trends in their reactions to times of high social need and interruptions in the status quo, like a global financial recession. Specifically, major interruptions in the economy such as the world experienced in the most recent recession is a shock to labor market conditions and as such has marginalized individuals who are most at risk within the labor market. In other words, states have to deal with large influxes of state dependent unemployed citizens of all ages, economic classes and races. Historically for both the United Kingdom and the United States, such downturns and shocks to the labor market are not new instances as both countries experienced fairly major instances of unemployment as recently as the late 1970's and early 1980's. Indeed, almost all protections and government run labor insurance programs including unemployment insurance and wage subsidies, have their origin in times of major economic risk when the

policy needs of those marginalized groups of jobless individuals were high. Later, similar benefits were extended to those individuals who cannot compete for themselves such as disability insurance.

In particular, the European Welfare regimes grew largely out of major economic crashes post World War I in the 1930's and again after World War II with major infrastructural restraints on economic growth. These original projects of risk protection were designed around promoting labor intensive economies and Keynesian models which held maximizing employment as a tool for maximizing production as the primary goal. However, as John Hills notes in his historical analysis of changing aspects of the UK welfare regime as it has occurred since the oil crisis in 1980 and the beginning of the Thatcher administration's "roll back" of the welfare state, Hills notes that the reality of the UK welfare state had shifted so that "provision for the older population through health care and pensions becomes more important, and that for the working-age population becomes less generous and more residualized" (Hills 2011, 606).

On that note, Hills identified two key characteristics within the types of assistance being provided within the UK policy framework, both of which were designed around the basic functioning of the free market and market competition. The primary spending agenda which Hills identified were what is commonly referred to as life-cycle redistributions which allows for "cash and in-kind provision at times in people's lives when market activities are low" (Hills 2011, 590). The other main form of assistance comes in the form of risk insurance which Hills defines as "protection against loss of income in events such as unemployment, ill health... and provision of services if needs for health or other care occurs" (Hills 2011, 290). In general, these types of spending initiatives which were centered on

market protections for those who can't compete, finds its history after Thatcher notably went to war with the public sector unions in the so called "winter of discontent"² which marked a transition towards a modern and more conservative attitude towards the social assistance provided by the state including subsidized industry and wage subsidies. Note, however, that despite any attempts to restrain public social spending, primarily instigated by the Thatcher administration, "overall welfare activity has grown by more than 150 percent in real terms between 1979 and 2008 from the equivalent of 34 percent to 42 percent of GDP" after accounting for inflation (Hills 2011, 605). These different accounts of what has happened within the Welfare state should tell you that the reality of public spending is not always clear.

In order to capture why and how government assistance has increased over the past several decades it seems necessary to look at times of economic recession and growth alike. Additionally, the Labor Force Survey was founded in 1992 which offers much of the in-depth information collected and used by institutions such as the Office of National Statistics to look at the make-up of employment trends and welfare recipients.

² The common term coined by historians for the winter of public service strikes including trash collectors, public transport and so on.

Table1: UK Unemployment Figures

Year	Avg %unemployed 18-24	Avg %Unemployed 25-49	Avg. % difference Column 1 – 2	Column 1 % of total unemployment
1992	16.3	8.7	7.6	25
1994	16.4	8.1	8.3	23.9
1996	14.4	6.9	7.5	22.7
1998	12	5.1	6.9	22.8
2000	10.6	4.3	6.3	22.4
2002	10.5	4.1	6.4	23.8
2004	10.3	3.5	6.8	26.2
2006	11.1	4.1	7	27.7
2008	13.1	4.2	8.9	31.4
2010	17.8	6.3	11.5	n/a
2011	18.7	6.3	12.4	n/a
2012	19.1	6.2	12.9	n/a

Source: ONS. 2010. "Publications." *Office for National Statistics*.
<http://www.ons.gov.uk/ons/publications/index.html> (January 25, 2014).

Table 1 covers the span of 20 years and serves a baseline to understanding not only the legislative context but also gives context that syncs up with historical information and allows for a more comprehensive understanding of what the labor market trends have looked like through trends of recession and expansion. For starters, economic historians such as David Blanchflower and David Bell isolate the common knowledge that the labor market works just as the economy and goes through similar trends as the boom and bust cycle. However, according to their article, “youth unemployment first became a serious problem for industrialized countries during the 1980’s”(Bell and Blanchflower 2010, 2). The Labor Force Survey does not provide explicit data to analyze the unemployment rates so explicitly by age groups during that time. However, looking to the historical context of the UK at that time would show that in the winter of 1979³ we can see that major strikes were occurring in almost every public sector industry and that historic winter has since been dubbed “the winter

³ The same year that Margret Thatcher took office as the Conservative Prime Minister

of discontent”(“BBC - History : British History Timeline” 2014). Additionally, in 1982 one of the great recessions hit the UK after Thatcher took on unions and privatized major industries including “British Steel, British Telecom, the electricity-generating industry and the water companies” (“BBC - History : British History Timeline” 2014). Fast forward to the 1990’s and table 1, above, shows that unemployment levels across the board are rather high, and indeed, 1992 was strife with major economic uncertainty with the pound sterling being withdrawn from the Euro pegging taking place. Afterwards we can see that the rates of unemployment, while at least double for the last 20 years, have affected the younger population more than the prime working cohort of 25-49, which seemed to be fairly stable in there trends of decline during the 1990’s.

Of course, the 1990’s represented two significant factors as they relate to the labor force and the social assistance being rolled out by the state. Primarily the boom of the service industry happened in the early to middle of the decade which changed the landscape of both the employed as well as the demographic of the unemployed. In the simplest terms, the boom of service and technology markets pushed demand for educated workers and created a hierarchy of unemployment by education, and to some extent class, which extends to today as seen by the table below conducted by the Bureau of Labor Statistics.

Table 2: Unemployment level by amount of education

Education Level	Unemployment rate per qualification
Secondary degree	2.7%
Degree or equivalent	3.7%
Some higher education	4.2%
GCE A-level	7.3%
GCE B-C level	9.6%
Other Qualifications	10.7%
No Qualifications	14.4%

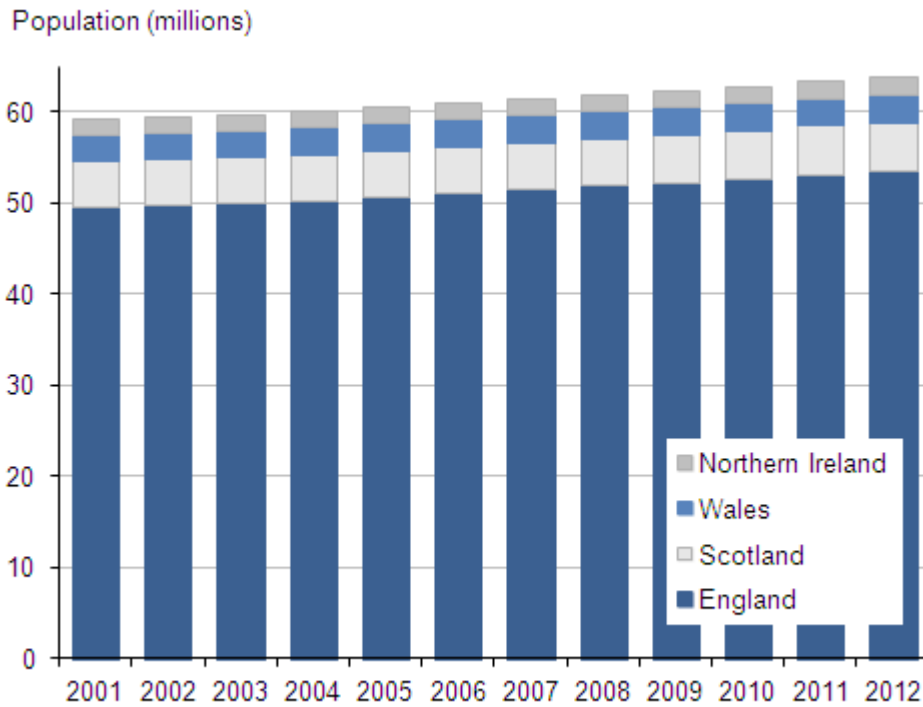
Source: (Bell and Blanchflower 2010)

Unsurprisingly, scholars have “special concerns regarding employment prospects of these young people without qualifications - the disadvantaged young - going forward” (Bell and Blanchflower 2010, 9). Additionally, it is clear that youth unemployment rates are particularly high for racial minorities across qualifications “where black unemployment rates ages 18-24 were 26.3 percent and for Asians were 21.3%” and that relationship being exaggerated “for those without qualifications in the 2008 labor force survey at 47.4 for blacks, 30 percent for young whites and 38.3 percent for Asians respectively” (Ibid, 9).

These growths of unemployment as seen above, in the latter half of table 1, have matched an increasing population according to the latest census information. In particular however, the current proportion of the youngest cohort within the labor force has been increasing faster relative to the older 50 plus members of the labor force. This matches the information that “the population increase of the UK in the period mid-2001 to mid-2010 was

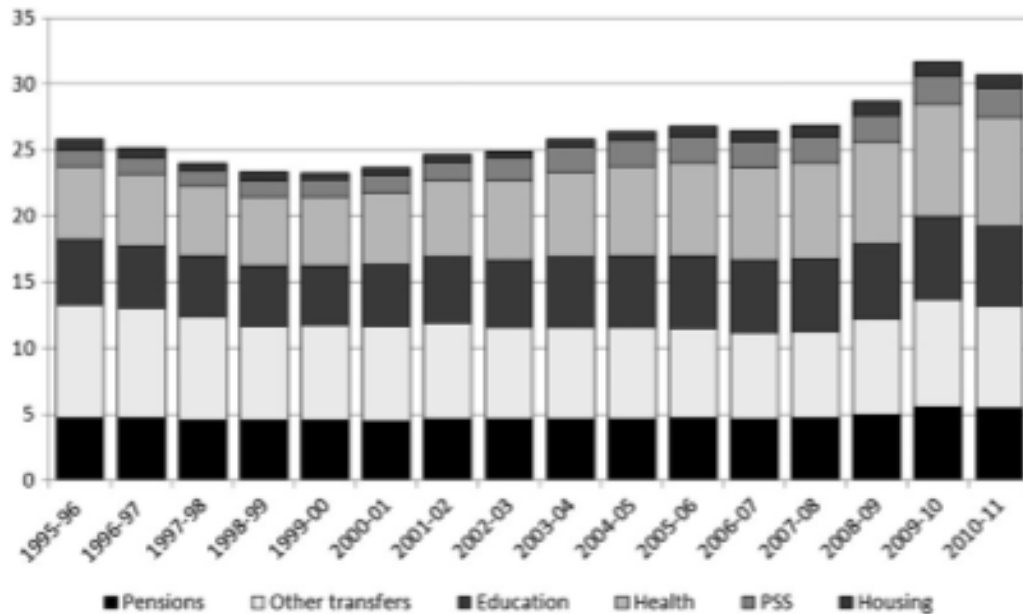
caused by there being 1.4 million more births than deaths” (Office for National Statistics 2013).

Figure 1: Mid-year population estimates for the United Kingdom



Source: Office for National Statistics, National Records of Scotland, Northern Ireland Statistics and Research Agency

Figure 2: Welfare spending as percent of GDP by specific programs



Source: HM Treasury (2010a) to 2009–10, extended to 2010–11 from OBR (2010a,b).

Additionally, the “total social spending as a share of national income grew continuously after 1999 and the initial period of public sector austerity following the incoming Labor Party pledge to stick its predecessor’s spending plans”(Hills 2011, 592). In fact social spending looks to be fairly constant with spending levels being almost identical between 1995/6 and 2007/8 despite the radically different economic conditions surrounding each time period and only since the 2008 recession under Conservative David Cameron’s Administration has the social spending spiked above 30 percent of the GDP. However, despite the mutual rise in population and the rise in spending as a portion of the GDP climbing higher than it has been in the last several decades, the amount of social spending per capita has grown much slower according to the graph below, taken from the Office for National Statistics, Social Trends number 41. It is additionally evident that spending trends on specific line items have been more or less constant among the different conservative and

labor administrations. The only outlier amongst spending trends being found in table 3, below, showing that even as unemployment rates have gone up fairly dramatically since the mid 2000's, the amount of social expenditure on unemployment benefits has gone down almost one-third since 2006.

Table 3: UK Social Expenditures in Millions

Expenditures	2006/07	2008/09	2009/10
Total	26,044	29,187	30,385
Sickness and disability	7,305	8,469	8,952
Old Age	8,892	9,929	10,290
Family and Children	6,654	7,481	8,082
Unemployment	1,424	1,384	1,105

Source: ONS, social trends 41

In other words, it is apparent that welfare spending by the UK government has grown, in spite of the spoken intent by Prime Ministers from Margret Thatcher to Tony Blair, and as recently as David Cameron who summarized his 2011 “Big Society” spending platform as “ending the old big government, top down way of running public services” (Hills 2011, 605). Such a government platform, consistently forwarded by the UK government, seems to fly in the face of the undeniable growth of welfare activity during the modern era of the UK welfare state. Growth has occurred, from approximately 240 billion in 1980 to around 620 billion in 2008, correlating with the growth in social need and a growing population. However, Hills shows that things are not entirely as they seem. Specifically, Hills points to several means testing and privatization initiatives beginning in the Thatcher administration which have been slowly working to change the architecture of welfare spending in order to allow for “the increasingly important pure private sector, with no public involvement at all” (Ibid, 605) within the financing and distribution of health, education and other social

services. The result being that the proportion welfare activity, including 620 billion pounds, was approximately divided with only 45 percent (or 298 billion) coming from government spending (Hills 2011, 594). One example of these shifts occurred in the public and subsidized housing sector of social assistance where “the reduction of the state’s role, through the outright privatization of council housing under the Right to Buy⁴, transfers to private, although not for-profit, housing associations” has led to a more unchecked distributional responsibility to the market based private sector. Further, Hills offers one possible conclusion: “growth in welfare activity has not meant an increase in services for all” (Hills 2011, 605) and that growth in welfare spending has not necessarily met growing social need and expectations of citizens. However, this would only be true if there exists conflicting spending priorities between the public and the state that is supposed to offer the risk protection of its citizens.

Unemployment Programs

Before progressing farther, it should be noted that social spending and social assistance programs for the unemployed in the United Kingdom are divided among three major programs which target and provide assistance for specific aspects of unemployed life. The first of those programs being the Universal Credit (UC) followed by the Jobseekers Allowance (JSA) and the Housing Benefit.

The Universal Credit is a relatively new invention which has resulted in the merging of several programs like the Employment and Support Allowance among others offered by

⁴ Right to Buy is an ongoing program which acts to give grants to tenants of public council owned housing in order to promote the economically preferred activity of home ownership

the Department of Works and Pensions. The Universal Credit is essentially a universal benefit with several different intended target recipients, providing benefits based on different programmatic initiatives such as a “minimum income guarantee” or “incapacity benefits.”⁵ This benefit offers direct financial support, into individuals bank accounts, to those who need financial assistance with basic costs of living whether employed, self-employed or unemployed. This major program has two main factors in regards to eligibility and benefit received. The critical detail of this program is that both eligibility and benefits are based on your total income which is calculated through national insurance contributions (essentially income taxes). This means that this program is a means tested one that rewards those previously successful participants in the market more than others. Additionally, the baseline for benefits is divided by age and length of time on the support program. First, there is a divide between those citizens who are 25 and older, who are able to collect at minimum 71 pounds sterling a week as compared to the 56 pounds made available to those aged 16-24. These baselines are set up for the initial 13 weeks in which someone applies for the UC. Similar benefit rules and baselines for income support are illustrated below.

⁵ Policy language from policy descriptions. www.gov.uk/universal-credit

Table 4: Universal Credit Guidelines according to Department of Works & Pensions

Status	Age	Weekly payment
Single	16 to 24	£56.80
Single	25 or over	£71.70
Lone parent	16 to 17	£56.80
Lone parent	18 or over	£71.70
Couples	Both under 18	£56.80
Couples	One under 18, the other 18 to 24	£56.80
Couples	One under 18, the other 25 or over	£71.70
Couples	Both 18 or over	£112.55

After the initial 13 weeks however, there is a catch, where any person who qualifies on a weekly income basis for the first 13 weeks of UC simply must meet that means tested baseline of less than 16,000 pounds savings and less than 99.50 pounds per week of earned income. Yet, after the initial period of collection it becomes required to participate in a “work-related activity group” where individuals must meet with a “Jobcentre” advisor on a weekly basis to discuss their reasons for being on this benefit and determine potential plans/goals for future employment, community service or other positive skills training determined by the advisor in order to continue collecting the Universal Credit, so long as they are not receiving any benefit for major medical disability reasons.

The second major program primarily dealing with the unemployed population is what is called the Jobseekers Allowance. Like the UC above, the JSA is a directly deposited lump sum of cash paid in two week increments based on the intentional and active pursuit of employment as well as specific means tested categories, as seen in the table below. Again,

we see disparities based on age but here we see further disparities based on socially positive activities like having children and being in a relationship. A further similarity to the UC, above, is that the Jobseekers Allowance has no established time limits, only the need to check in to the Jobcentre every two weeks, commonly referred to as “signing on,” with documentation proving that you are actively pursuing work. Additionally, there are some basic limits in place, just as there are with the ESA, you must have less than 16,000 pounds in savings and must work less than 16 hours a week, bringing home less than 6,000 pounds annually. Lastly, you must have been living in the UK for at least 3 months and must prove yourself to be a European Union citizen, if not a UK national.

Table 5: Unemployment Benefits by Category (JSA)

Status	Weekly amount
Single (under 25)	£56.80
Single (25 or over)	£71.70
Couples (both aged 18 or over)	£112.55
Lone parent (18 or over)	£71.70
Lone parent (under 18)	£56.80

Finally, it is important to note that the UK “Housing Benefit” plays an important role for the unemployed, despite being a broader Universal Credit like the ESA, which merely targets those who fall below a baseline of weekly income/total savings as opposed to the JSA which is specifically geared at those who are pursuing active employment. Again, this program is for those who are on “low employment” or unemployed with a total income or household savings of less than 6,000 pounds according to the UK government listing for program eligibility. The primary difference with this program is that the level of assistance is

primarily based on size of the residence rather than number of people or the amount of rent owed. It should also be noted that the Housing Benefit is only for rental properties and does not factor into owned housing. See table 6 below to examine the benefits available.

Table 6: Housing Benefit by property size

Property	Weekly amount
1 bedroom (or shared accommodation)	Up to £250
2 bedrooms	Up to £290
3 bedrooms	Up to £340
4 bedrooms	Up to £400

Beyond these official and yearly accounted for public expenditures, it is important that occasionally there are some short term policy initiatives forwarded by different administrations trying to address major problem in the short term. In this case both programs were launched by the Cameron Administration⁶ in April of 2012.

The Youth Contract is essentially a program which will guarantee job placements “to 18-24 year-olds who have been out of work for a year, with benefits being withdrawn for those who refuse to take up the offer”(Andrew Grice 2013). This is an interesting two pronged approach, both sympathetic to those young people who are believed to truly not have access to legitimate job opportunities in the recent economic recession, but also echoes the underlying impatience and harder line most politicians want to take on public spending and cutting those off from welfare who may be choosing to not help themselves. The Youth

⁶ Although the real flag bearer for the youth contract was Nick Clegg, leader of the Liberal Democrats.

Contract performs to accomplish this promise of guaranteed work placements by offering six months of fully subsidized job starts where “until April 2015, employers are able to take advantage of 160,000 such wage incentives” (Department for Work and Pensions n.d.). These wage subsidies for hiring are worth up to £2,275 each when they employ an eligible 18 to 24 year old for 6 months through the Jobcentre in public and private apprenticeship positions. One final aspect of the Youth Contract is that it was geared specifically at targeting young school leavers on benefits but not looking for jobs, otherwise classified as the disengaged unemployed youth, and trying to incentivize them into joining the labor force.

The second program known officially as the “Work Programme,” but more commonly as the “Welfare-to-Work” scheme, launched in September of 2011, is a response pervasive long term unemployment and the need to get citizens “the help they needed to find a job and, crucially, given support to stay in work” (BBC Editor 2013). There are two important hallmarks of this program which differentiate it from the Youth Contract. The first important aspect being, it targets individuals of all ages, although it places a particular emphasis on youth unemployment between the ages 16-24. The second important thing to note is that while there is a significant focus on targeting unemployment lasting for more than 12 or 24 months, based on the age of the unemployed person, there are also significantly more short term job seeking tools which have been made available until the program is set to finish in 2016.

The first issue is that of age requirements, where the program is intended to immediately place individuals between the ages of 16-24 in some type of work related experience after 1 year of unemployment, whereas anyone 25 and over gets placed after 2 years of unemployment. However, unlike the Youth Contract, work placement is voluntary,

either in the public sector or in some other form of community service, which provides work experience and or skills training in order to continue collecting unemployment benefits. Part of the idea behind this program is for people to not be allowed to be stagnant on unemployment benefits and increase the incentive to get out of unemployment in order to get paid a real wage for the work they are required to do under the Work Programme.

Additionally, since work placement through the program once begun are supposed to last up to 2 years, there is the assumption that hard work and competency will help land a permanent job with that institution or at least a job referral and an improved resume. The second point to note, while only a five year plan at this time, there is also initiatives through the Work Programme which incentivize businesses to allow 30 day training and informational internships through the Jobcentre allowing for a potentially easier job search during the recession.

Social Need

As stated above, policy can be, and to a large extent is, synonymous with a government strategy to affect a specific outcome. However, strategic and intentional change is rarely required or pursued without the presence of a problem. In this case, the foremost problem that is facing a majority of welfare states and indeed large portions of the world is youth unemployment, characterized by those 16-25 year olds that are flooding labor markets without the ability to join the labor force in the aftermath of the global economic recession in 2008. In fact, according to the recent figures put out by the Cameron administration during the Conservative National Convention, “The Institute for Fiscal Studies says 410,000 under-25s were currently on JSA, costing £1.2 billion a year. A further 380,000 are on housing

benefit, costing £1.8 billion” (Wintour and editor 2013). Such a problem was not unforeseeable and has proven to be a reoccurring theme. Just a little over a decade ago, during a major period of economic prosperity, “when Tony Blair came to power in 1997, there were 664,000 16- to 24-year-olds who weren't in training, or didn't have a job... when Gordon Brown left it in May 2010, there were 920,000... a rise from 14.5% of the youth population to nearly a fifth”(Patterson 2014).

Thus it is clear that the issue of youth unemployment is very real based on a combination of several factors including but certainly not limited to the economic shrinking that took place on the global economy and domestic labor forces worldwide as a part of the recession. According to the study by David Blanchflower into the reoccurring theme and problem of youth unemployment in western society, many societies have labor forces growing faster than the economy with more 20 year olds than 25 year olds. Further, the problem becomes clear when you consider that people are living longer and retiring later so there are less and less transitional gaps for newcomers to the labor market to fill each year. Blanchflower shows that with these ongoing and predictable pressures on the labor market, any downturn or economic shrinking would prove to be detrimental to the employment and aid infrastructure of these westernized welfare economies. Looking to the quarterly projections on unemployment published in the Labor Force Survey by the UK Office of National Statistics, the 16-24 year old cohort actively pursuing work but finding themselves unemployed by the count of the UK government hit a record high, where “in November youth unemployment in Britain passed 1 million for the first time in 15 years, equivalent to 22% of those aged 16 to 24” (Elliott and Treanor 2012). That compares with the 6.2 or 4.6 percent unemployment in the 25-49 and over 50 year old categories respectively. Those

numbers further illustrate the conclusion of the discussion paper on unemployment trends put out by the Institute for the Study of Labor, showing that “the young are disproportionately hit hard” (Bell and Blanchflower 2010, 5).

However, while these totaling of unemployment by age groups certainly helps demonstrate that individuals in the youngest sections have a disproportionately higher probability of losing their jobs as a result of the most recent economic crisis, there are further troubling numbers which outline the danger posed on the 16-24 year old cohort during a recession. Specifically, a 2008 OECD study focusing on the youngest workers in the labor force, specifically 20-24 for the purposes of that study, showed that there were high levels of inequalities regarding their average relative earnings as compared to their adult counterparts. The fruits of this study showed that the UK had the second worst inequality index between the average pay scales of the youngest cohort making only 60 percent of the average adult wage defined by the age category of 40-49. This index falls below the OECD average of 64 percent of adult incomes and has further shown increasing inequality since 1996 which measured the UK youth making approximately 68 percent of the adult wages. That means not only are the youth of the United Kingdom the most likely to become jobless during a recession but they are not surprisingly the least financially equipped group to handle such a period of joblessness without clear assistance. In this category, in fact, the UK only fairs better than the United States with a calculated youth average earning amounting to only 57 percent of their adult counterparts which is often accredited to the lack of labor unions and worker protections in the United States. Although the UK certainly has retained much stronger union base, Bell and Blanchflower have noted that youth participation in UK unions is extremely low so as to make themselves more attractive to employers.

Part 2: Operationalizing Andersen's Model

National Values

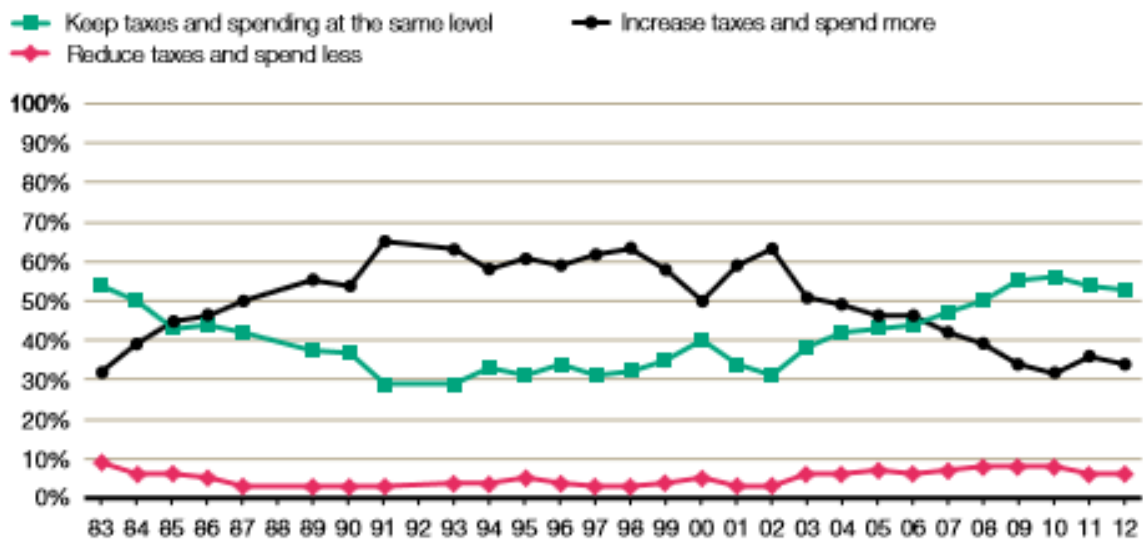
In order to determine the validity of that assumption as it has been applied to the identification of the United Kingdom as a liberal welfare state, it will be important to look at the variety of social attitude surveys conducted both by state and non-state institutions which will help to establish trends and underlying values which may be at play in the ultimate outcome of determining how social resources are distributed. Since the major issue of youth unemployment is the pervasive threat of this major emerging group of individuals needing assistance that will not be provided by the free market system, it makes sense to look at as much survey data as possible regarding the social opinions as they pertain to providing assistance to that group of people and the conditions of such programs.

Particularly when looking to understand national values through survey data in the United Kingdom, the first and most important source is the British Social Attitudes Survey which has been conducted by the National Centre of Social Research since 1983. This commitment to creating the most extensive historical longitudinal study of British attitudes available has meant that this survey has been one of the most important survey databases to academic researchers studying the UK.

The first litmus test questions are primarily concerned with how people feel about spending in general. The first question of the survey on government spending and welfare has been the same since the first survey in 1983 and is a standard question asking participants to choose one of three statements about their preferred course of action for the government in terms of future spending. These statements read as follows: "Reduce taxes and spend **less** on

health, education and social benefits.” “Keep taxes and spending on these services the **same** level as now.” “Increase taxes and spend **more** on health, education and social spending” (BSA, 35). The results of this question are as seen below.

Figure 1: BSA Attitudes towards Tax and Spending, 1938-2012



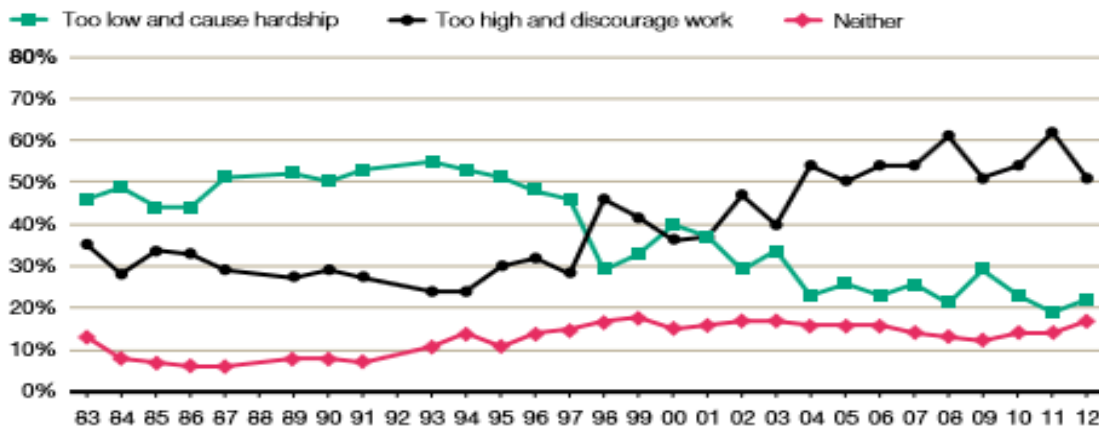
Source: British Social Attitudes Survey, National Centre for Social Research, v.30, 2013

From the figure above, two things are clear: first, that the opinion to reduce spending has been fairly stagnant over the past thirty years. Second, the portion of individuals who want the government to increase taxes and spending has nearly been cut in half after shifting upwards of the 60 percent during a majority of the 1990’s and reaching a high of around 65percent in 2002. Since it is primarily the past 25 years that this study is focusing on, which encompasses the several rather drastic periods of recession and growth, it is important in particular that the desire for increasing welfare spending happened primarily during the boom

of the late 80s and beginning of the 90's. Additionally, the spending preferences appear to have been fairly stable during the market downturns towards the latter half of the 1990's and the free fall of this group of people did not occur until the next boom in the early 2000's and continued through the deep economic recession which is still affecting the country today.

The same trend is apparent when asked a similar litmus test question, looking for people's attitudes towards the government's spending strategies when specifically geared towards the unemployed. The survey asked people to agree with one of the following two statements: "Benefits for unemployed people are too low and cause hardship" or "Benefits for unemployed people are too high and discourage them from finding jobs." The results of this more specific question looking for basic opinions on welfare spending are shown below in figure 2.

Figure 2: Attitudes towards level of unemployment benefits, 1983-2012



Source: British Social Attitudes Survey, National Centre for Social Research, v.30,

2013

Here again we see some interesting trends that appear split by decades more than by political administration and state of the economy. The major thing to note would be that since welfare nominally went up, as is shown above in Figure 2, in the mid 1990's and again in the early 2000's, those jumps were mirrored by the largest jumps in the increasing percent of the population who believe social spending is too high. Another such question that has been asked since 1985, a simple yes or no question, dealing with the fundamental basis of unemployment spending in a welfare state was this: "Do you believe it is the government's responsibility to provide a decent standard of living for the unemployed?" (BSA, 33) The results of which show that there has been a steady decrease from an agreement rate of 83% in 1989 down to 59% in 2012 with a low of 50% in 2006.

Now that we have examined some data trends on how British citizens view both general social spending, as well as spending specifically earmarked for unemployment programs, it would make sense to look more closely at how those same citizens view those that receive those unemployment benefits both generally and when broken down into age groups. First, in the table below, there are several questions asking whether or not the participants agree with a statement regarding the conditions by which people receive benefits as well as the characteristics of those same individuals who are receiving social assistance.

Table 7: Attitudes on welfare spending

	87	89	91	93	94	95	96	98	99	00	01
% agree cutting benefits would damage too many people's lives	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	59	58
% agree many people who get social security don't really deserve any help	31	28	26	24	26	30	28	32	27	31	32
% agree around here, most unemployed people could find a job if they really wanted one	41	52	38	27	32	38	39	54	56	60	63
% agree most people on the dole are fiddling in one way or another	32	31	28	31	34	33	35	39	36	40	35
% agree large numbers of people these days falsely claim benefits	67	65	n/a	n/a	72	n/a	n/a	83	84	77	79
<i>Weighted base</i>	1243	2529	2428	2595	2957	3145	3103	2546	2478	2991	2821
<i>Unweighted base</i>	1281	2604	2481	2567	2929	3135	3085	2531	2450	2980	2795
	02	03	04	05	06	07	08	09	10	11	12
% agree cutting benefits would damage too many people's lives	53	54	48	47	47	44	45	47	42	42	47
% agree many people who get social security don't really deserve any help	36	38	39	40	29	36	37	34	35	35	35
% agree around here, most unemployed people could find a job if they really wanted one	65	66	69	69	67	67	68	55	54	56	54
% agree most people on the dole are fiddling in one way or another	38	39	41	39	32	39	36	34	35	37	37
% agree large numbers of people these days falsely claim benefits	81	78	84	n/a	83	n/a	82	n/a	84	n/a	81
<i>Weighted base</i>	2929	881	2610	2697	2813	2663	2956	963	2810	2841	2867
<i>Unweighted base</i>	2900	873	2609	2699	2822	2672	3000	967	2791	2845	2855

The results in the table above offers a good representation of the fairly stable positions of citizens in the United Kingdom who seem to have fairly specific perceptions of unemployment and the unemployed community with most questions eliciting little more than 10 percent variations across the 20 or so years of measurement. However, there are a few questions that I would like to highlight as a comparison between the answers of the first two questions in juxtaposition to the answers of the last question. In particular, the first two questions in the table referring to withdrawing benefits from individuals as a matter of practical dependence and of perception of deserving benefits, shows that the British public seem not overtly against dropping benefits for this group of people. The First question, for instance, shows that roughly half the population at any given point thinks that the withdrawal of benefits would be too damaging for this somewhat marginalized community. Further, only

an average of about 35 percent of the population believes that people who receive unemployment assistance don't deserve any help from the federal government. These figures at first seem to be in contradiction of the increasingly negative perception of welfare spending in figure 2. Yet the last question of the survey displays the high level of citizens skepticism, around 80 percent any given year, seem to believe that a large percent of people who collect unemployment benefits do so fraudulently in that they do not actively pursue options to get off welfare.

Trying to capture the perceptions of unemployment spending and social assistance becomes murkier when looking at redistribution preferences of different groups of people divided by age, class and party affiliation as they regard income support to unemployment programs. Looking at the table below, we see that between 1987 and 2007, there is a general trend across every single age group, class and political party in favor, of less income redistribution to the poorest segments of the population including those collecting benefits as unemployed individuals. However, while this general trend is upheld by most of those social clusters when we extend the data to 2012, with many groups retaining a notably waning view of social assistance to the youngest age group and those affiliated with the Labour party. However, it is important to note the significant increase in support along every single social cluster during the financial recession that occurred between 2007 and 2012. This is important to note as it gives a case where perceptions of social assistance may not necessarily be as stable as the tables and figures above might suggest. In addition, the survey data below shows that perceptions of unemployment assistance may indeed be impacted by the economic trends of recession or growth.

Table 8: Income Redistributions for Unemployed

% agreeing that government should redistribute income	1987	1995	2003	2007	2012	Change 1987-2012
Age						
18-34	50	43	38	30	41	-9
35-54	42	50	42	31	39	-4
55-64	43	46	46	34	43	0
65+	42	50	42	34	44	+2
Occupational class						
Professional/managerial	40	44	41	32	38	-1
Intermediate (white-collar)	37	42	40	31	40	+3
Independent	36	38	36	33	37	+1
Intermediate (blue-collar)	40	51	46	32	40	0
Working class	54	56	44	31	46	-8
Party affiliation						
Conservative	21	25	27	18	25	+4
Labour	69	60	52	38	53	-17
Liberal Democrat	54	49	44	41	54	0
All	45	47	42	32	41	-4

Support within the Legislature

Looking back to the methods section above, we see that Andersen outlines the importance of the legislative process as it is the refractive element within his model transforming what he isolates as the national values into what becomes general welfare legislation. In this case, media accounts of party positions and public discourse, in order to determine what issues and more importantly what spending values have been given priorities by the legislative actors.

Currently the important parties to examine include the dominant conservative – liberal democrat coalition party headed by PM David Cameron and Nick Clegg and the oppositional Labor Party headed by Ed Milliband. The framework for analyzing these media

sources is to look for specific attributes, themes or buzzwords discussed previously in the methodology section. It is through this open examination of the conservative coalition followed by the labor party's take on the key issue of youth unemployment, in which we will make decisions about what is really happening in the UK legislative process.

David Cameron recently gave a speech on his visions for his “Big Society⁷” initiative at the conservative conference in October of 2013; The Guardian picked up on a few key sound bites. The loudest and clearest being the idea that Tories are “dedicated to sending tough messages on welfare” and in particular that “all jobseekers allowance and housing benefit would be removed from anyone unreasonably turning down the offer of work or education” (Wintour and editor 2013). This follows the scheme recently set out by the Conservative party known simply as the “Youth Contract” which offers to subsidize the work placements of unemployed youth for three years at unemployment benefit equivalents as the chief youth unemployment initiative. The stated intention of Cameron is to eliminate people from living on benefits as he discusses the 2014 conservative manifesto: “Today it is still possible to leave school, sign on, find a flat, start claiming housing benefit and opt for a life on benefits. It's time for bold action here. We should ask, as we write our next manifesto, if that option should really exist at all. Instead we should give young people a clear, positive choice. Go to school. Go to college. Do an apprenticeship. Get a job” (Wintour 2013). These programs discussed by PM Cameron, such as a scheme looking to take away “housing benefits⁸ for all under 25 year olds in or out of work” showcase what Cameron acknowledges as measures “designed to cut public spending not linked to training... [because] there are

⁷ Formally dubbed policy response by Conservative party in February 2011 as an umbrella for initiative leading to economic and social reform goals of the Cameron administration

⁸ Exemptions would be made for single parents and disabled individuals

some people who need not so much a nudge as a dunt towards the workplace” (Wintour 2013).

Additionally found within the coalition media storm has been the particularly covered question on whether or not older workers should be pensioned off earlier so as to increase the amount of openings for the young jobless. On this question the conservative coalition line has been to “defend the role of more experienced staff” (Peev 2013). Further, Liberal Democrats Pensions Minister Steve Webb went on to discuss that returning to the 1977 “work release scheme” age category of 60-plus as an initiative “encouraging early retirement in order to give to youngsters jobs would be counter-productive.... All it did was stick lots of men in their early 60’s on benefits; it did nothing for youth unemployment” (Ibid). Instead, George Osborne, the Chancellor of the Exchequer and chief economics minister to the coalition government has set out a proposal for what to do with those currently out of work and long term-jobless individuals alike. As was mentioned before, creating vacancies through forcing older workers into pensions is off the table, but instead Osborne suggests “jobless Britons could be forced to do community work to keep their unemployment payments”(Castle 2013). This quote, as a part of his speech at the Tory’s annual Manchester Conference, re-instilled his desire to “crack down on welfare dependency” through a variety of “tough love” programs (Ibid). Osborne views this new policy initiative as yet another aspect of the growing conservative platform on youth unemployment which he describes to include programs where “the jobless can be sent on work placements, where they are required to do a month’s full-time work to keep their benefits, and the government has introduced a cash limit on the amount per week that most people ages 16 to 64 can receive from the state”(Castle 2013). In general terms, Minister Osborne summed up the party

stance on youth unemployment with this statement: “No one will be ignored or left without help, but no one will get something for nothing.... A fair welfare system is fair to those who need it and fair for those that pay for it, too” (Ibid). The stated end goal being to produce a system for hardworking people where “welfare is a safety net for the needy, not a bed for the lazy” (Ibid).

As for the Labour Party leadership, the tagline coming from frontbencher Rachel Reeves has declared recently that “Labour will be tougher than the Tories when it comes to slashing the benefits bill” further guaranteeing that “unemployed will not be allowed to linger on benefits” (Helm and editor 2013). The policy initiative behind this new tough stance on unemployment, as well as isolating the issue of youth unemployment, is called the “jobs guarantee scheme” which outlines a benefits framework for the distribution of welfare. Under this new policy scheme for instance, there is specific time limit on how long individuals may collect specific jobseekers’ allowances and other unemployment benefits. For the under 25 cohort, a job will be offered after one year of unemployment and for the rest of the labor force above the age of 25, a public service job is guaranteed after two years of unemployment. However, if under the Labour parties proposed “compulsory jobs guarantee, if you refuse that job you forgo your benefits” (Helm and editor 2013).

A further set of proposed policies by the current shadow cabinet include programs like the “contributory principle” where benefits are awarded based on tax contributions and an official yearly benefit cap so as to limit the amount anyone can live on benefits so as to encourage less dependency and time spent on benefits.

Benefits Provided

In order to make sense of the relationships of the previously operationalized variables it is necessary to look finally at what is actually happening within these major welfare programs discussed within the contextual narrative segment of this chapter. Therefore I have decided to present the initial facts and expenditure figures from each program in a table below.

Table 9: Department for Work & Pensions expenditures in Million(s) pounds 2001-2013

Year	Total DWP programs	Income Support Total Expenditure	Min Income Guarantee	ESA	JSA	usingBenefit
2001	81,154	13,220	3,923	----	2,882	11,242
2003	97,579	14,154	4,327	-----	2,606	12,672
2005	110,232	11,607	2,382	-----	2,204	13,162
2007	118,131	8,839	----*	-----	2,440	14,841
2009	133,315	8,685	*	127	2,857	17,103
2010	146,280	8,374	*	1,267	4,684	19,989
2011	151,457	7,856	*	2,232	4,474	21,427
2012	157,687	6,997	*	3,554	4,929	22,820
2013	165,383	5,309	*	6,780	5,170	23,900

**the min income guarantee became separate program in the ESA*

Moving from the leftmost column to the right, several trends are immediately apparent, including the fact that the total expenditure on welfare programs through the Department of Works and Pensions has steadily risen over the past decade; however the first order of business needs to be an explanation for what is happening in the middle three columns and the listed expenditures of Income Support and the sub program of the Minimum Income Guarantee. For starters, it is important to note that I have included the program known as

Income Support as the forbearer of both the ESA and the UC programs which now cover the cost of a minimum income guarantee. As such, the Income Support expenditures became officially divided from that cost in 2007 but still offered a good indication of its focus on incapacity and caretaker benefits throughout the 2000's. Further, it was only during this program in which the DWP accounted for the minimum income guarantee as a specific programmatic sub heading before moving on to a universal and regularized expenditure under the ESA and Universal Credit programs which are intended to affect different targets (like Income Support) but nevertheless lump them all under one program account. It is important to note that both the Income Support program and the Employment and Support Allowance have now been merging as part of the new Universal Credit initiative from the Department of Works and Pensions to consolidate and simplify its benefits programs. That being said, it is hard to pull any really meaningful data out of those middle two columns which are so intertwined. However, it would appear that in the measurements of funding allocated to non-disabled people filing for the minimum income guarantee from 2003 to 2005 was cut in half despite rises in total expenditures by the DWP.

More significantly for the purposes of this study, however, would be the fairly stable and slightly downward trend of the Jobseekers Allowance up until it skyrocketed between 2009 and 2010 during the major layoffs and rise of unemployment during the recession which has stabilized, but continued to trend upwards through 2013. This would suggest that it is indeed harder to find a job in the current economy and is potentially linked to the national values table above in table 5.1, which showed a mirror decline in people who would agree that people collecting JSA could find a job if they really wanted one. Those findings combine to reinforce the social need discussion earlier in this section.

Something that may be a bit surprising, however, is the matching trends between the total expenditures of the DWP in coordination with the rising spending on the Housing Benefit which is another one of those means tested by income credit programs. In fact, the program has more than doubled over the last 12 years making the Housing Benefit one of the largest single assistance programs targeting marginalized individuals. For this reason, it is clear why the Housing Benefit policy is considered to be one of the largest benefit programs for unemployed and disengaged jobless individuals despite currently not accounting for occupation or lack thereof within the provision of this program. The fate and use of this Housing Benefit is thus a major source of discussion in the political conversation within the media as seen above in the “Political Support within the Legislature” section.

Part 3: Operationalizing Mettler’s Model

Organized Narrow Interests

Organized interests take form in unions or business lobbies and in the case of the United Kingdom there are two predominant “business advocacy groups.” They are the Confederation for Business Industry and the Employment Related Services Organization. According to their respective websites, these groups offer the unequaled ability to network and foster an environment for all its member businesses to let their voices be heard and utilize collective resources to conduct research and offer key policy recommendations to help tackle societies biggest issues within the private sector, including unemployment. This is not a surprising claim for business interest groups to make according to Kevin Farnsworth. In fact, according to Farnsworth, such groups are the most prepared actors to invest in a desired policy outcome for a variety of reasons including the governments’ reliance on increasing

economic activity as well as the elite access and relationships between business leaders and top politician; “hence, states must try to induce corporations to invest through pursuing policies which are favorable to the pursuit of profits” (Farnsworth 2006, 475). In this way, business and political interests can be more naturally aligned than the relationship between the state and labor unions, particularly when the pressure such unions can exert on the state diminishes. This was the case for the UK as “union power was drastically reduced by a series of measures designed to reduce the ability of trade unions to take effective strike action, coupled by increasing levels of unemployment, which dramatically reduced trade union membership” (Ibid, 483).

Thus, for elite or structuralist theories of power organization in government argue, like Farnsworth who is one of the leading authors in the UK business elite literature, “it is impossible to understand and explain the shape and delivery of social policy unless we explain the role of business” (Ibid, 473). This echoes the confident assertion made at the top of the CBI homepage; “CBI members enjoy real input into key government decisions, access to politicians and business leaders - and intelligence to help prepare for economic and political change” (CBI.org.uk). However, how business interests firms are able to have such impact and why they apparently have such unequalled access to the policy process must be more satisfactorily examined.

For Farnsworth, the why question is actually antecedent to the how question, and as such, helps explain what mechanisms are most available to push policy decision in a business friendly direction. In this vein, he cites three particular reasons why business interests are constantly harder to ignore in policy decisions. First, he argues that historically, since the Thatcher administration, “changes in social policy introduced since the 1970’s have been in

response either to business demands or more general concerns about national competitiveness and the needs of business” (Farnsworth 2006, 473). This is made clear in an example from one of Farnsworth’s previous publications on the specific policy interests and lobbying history of the Confederation of British Industry. In particular, he shows that the primary policy interest of the CBI has been for a long time, matters of education reform and competitive jobs training schemes backed by the Department of Education. Of course, the methods used to determine that these interests were indeed the focus of the CBI are measured from their use of specific lobby mechanisms, which are discussed below. However, at this stage it is important to note that these were the focus of the CBI policy team during the 80’s and 90’s⁹ which contained a series of policy positions mirrored in the 1988 Education Reform Act, which in turn laid the framework for “the establishment of Training and Enterprise Councils and National Vocational Qualifications¹⁰, these being areas of particular importance for employers” (Farnsworth 1998, 24).

Indeed education and training policies are one of the major business concerns for competitiveness, and as such, are understandably the primary focus of organized business particularly in a globalizing economy with ever increasing competition. This leads to the second and third structural reasons why Farnsworth argues the presence of business interest has continually increased within the modern political landscape. Those reasons being: UK business has an increasing stake in policy outcomes in a globalizing economy and thus will be willing to commit ever greater time and resources to achieve desired ends, and since

⁹ Business interests in competent training skills to make youth more employable continues to be a primary policy issue for the CBI

¹⁰ These programs address the need for more formalized, federally funded and regulated professional skills training and apprenticeship opportunities

government funding heavily relies on healthy businesses they have mutual interests in providing greater access to the policy process for major business lobby organizations.

These basic explanations as to why the business lobby interests have been given greater access than unions and the general public also help indicate what mechanisms these lobbies use to exert pressure and influence upon government institutions like the Department of Education, and policy decisions including the Education Reform Act example discussed above. The mechanisms which are primarily used by the CBI and lobbies in general within the UK context are twofold. First, they work to achieve their interests “through producing clear and concise policy statements” (Farnsworth 2006, 483) so as to serve as an unofficial policy advisory agency taking on the cost for policy research and analysis in order to supply strategic briefings to policy makers and the media. The second primary tool, utilizing the elite network groups of being well funded, and connected political activists in order to generate “less formalized contact... initiated and organized and by the CBI itself” (Farnsworth 1998, 31) such as the high profile annual conferences and long list of calendar events which bring together business and political elites in an environment which no other social groups or interests have access.

Generally, the former is considered the primary way that the CBI forwards its business interests, and indeed, Farnsworth demonstrates this point by highlighting the number and subjects of policy briefs presented by the CBI which he then contrasts with major policy changes that happen in the same general time period. Observing the table below, in fact, we can see an interesting pattern that in the same year that major education and training reform was being discussed in parliament (1988) the CBI published eight policy briefs. Additionally, this trend continued to match as was discussed above the major

institutional reforms such as the Training and Enterprise Councils and National Vocational Qualifications through the year 1995. The frequency of social policy papers produced by the CBI in addition to the timing in which specific topics are produced has led to two conclusions: first, that “the CBI is a more responsive rather than initiating organization when it comes to social policy” and second, that “its views in this area is none the less of great importance” (Farnsworth 1998, 24). Further, these types of policy briefings are clearly still a major way that the CBI exerts particular policy preferences as the government works to tackle major issues. One such recent 2011 policy recommendation by the CBI called “Action for Jobs: How to Get the UK Working” offers a particular business take on the youth unemployment issue facing the UK. Within the introduction and framing of the complex policy demands of youth unemployment, the CBI reminds all that it is a business problem and, as such, needs to be a part of the discussion, “as businesses, we should not be complaining from the sidelines – it is our duty to get involved and help the process” (CBI 2011, 9). As for the impact of this particular policy briefing from 2011, all that can be said is that it called for many new “employability” work placement programs offered through the Department of Education which have been mirrored in aspects of the 2013 “Youth Contract” and “Work Programme” described above.

Table 10: CBI Policy Briefings from 1980 - 1995

Year	No. of Education/ Training papers	Total published papers
1980-1981	0	22
1982-1983	2	36
1984-1985	0	49
1986-1987	1	45
1988-1989	8	44
1990-1991	1	34
1992-1993	3	38
1994-1995	6	21
Total	21	289

Source: (Farnsworth 1998, 25)

As for the second major influence mechanism described basically as elite access above; it is clear that the CBI and business interests are taking advantage of close relationships with political leaders. A political truth made clear by a number of recent scandals involving the secret correspondence and negotiations between CBI members and high level political actors. For instance “according to official documents leaked to the BBC and Corporate Watch in 2001, UK government officials briefed the leaders of some of the UK’s largest companies on their negotiating positions at the 2001 General Agreement on Trade in Services meetings, despite the fact that these negotiations were supposed to be conducted in private” (Farnsworth 2006, 484). Additionally, there was a major scandal as recently as 2004 where public advocates ordered the Blair administration to publicize “secret meetings between it and representatives of major corporations” (Ibid, 484). All this information and evidence compiled has led to a fairly convincing British lobby literature

which makes the conclusion that “business has never before been so embedded in social policy” as it is today (Farnsworth 2006, 492).

Invisible Policy Process

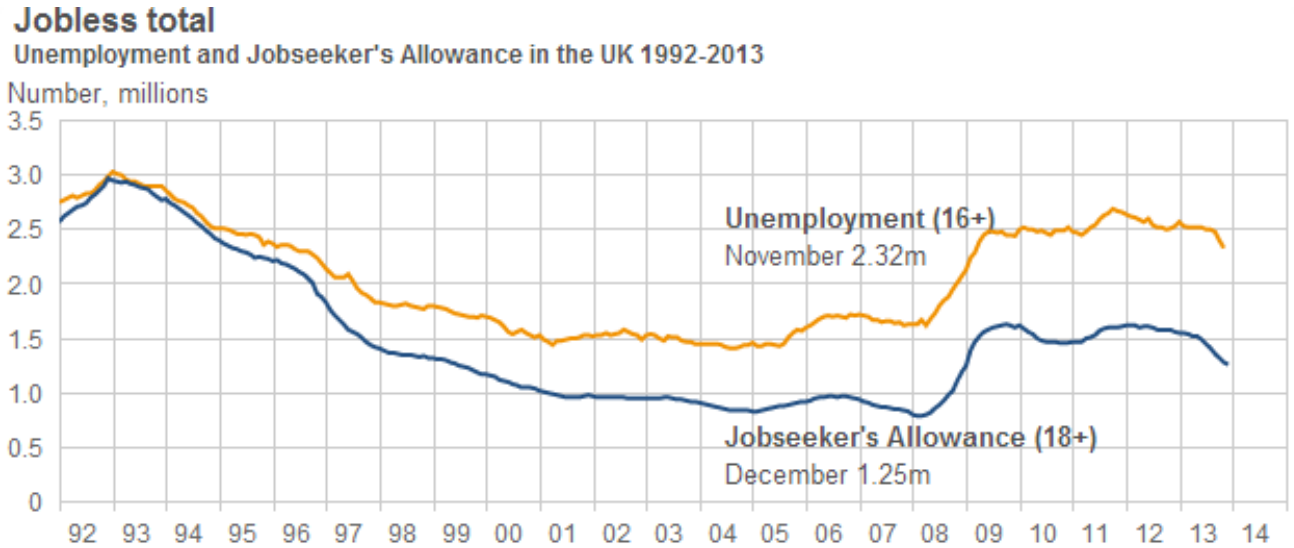
As was discussed in the theory and methods chapter above, one of the crucial variables for Suzanne Mettler’s model of state social policy behavior is what she finds to be the presence of, or lack of, an invisible policy process, which obstructs the reality of policy decisions being made which will in turn pacify the general public and so allow the previously discussed organized business interests to dominate within policy decision making at the highest level without competition. For the most part, this is measured by individual’s experiences and perceptions of their experiences with welfare programs and what programs are providing to whom.

One of the most basic questions that begin to get at this sense of invisibility is the question: “Are you, or anyone in your family, directly affected by unemployment benefits at the present time?” (Gallup, 1996). This was a question that was part of a larger Gallup survey on perceptions of the welfare system in the UK. Another question on that survey which should offer a nice contrast to the first is this: “Do you have any friends or acquaintances at the moment who are affected by unemployment benefits?” (Ibid). The results are shown in a basic table below.

Answer	Result
Q1.Yes, myself or other	30%
Q1.No	71%
Q2. Yes	63%
Q2. No	37%

These, of course, are just general questions trying to see if people have a certain attitude towards what programs are considered to be unemployment programs as well as if people perceive themselves to be collecting “welfare.” Unfortunately, this is a really insufficient series of questions since we don’t have perfect information as to whether or not these individuals are collecting any kind of state benefits. That being said, it is interesting that there is a practically inverse relationship between the two questions that might suggest that people are less inclined to agree that they are collecting welfare assistance while they are more inclined to see others as those individuals taking handouts from the state. Another problem is that it is impossible to tell how many are actually unemployed other than making an educated guess by looking at the year average from 1996 (see graph below). One possible conclusion based on the answers above, as well as factoring the information on who collects outright “unemployment” benefit in the graph below, when considering the multitude of programs that do provide assistance to the unemployed described in part 1 of this chapter, is that people may have different ideas of exactly what are unemployment benefits.

Figure 3: Unemployment Population and JSA Graph



Source: (“Economy Tracker: Unemployment” 2014)

These questions try to determine how much information is actually in society regarding programs and which groups are collecting benefits. Some of these questions were best asked in part 2 of this chapter and so I have decided to include them again here since they are equally important to this section.

	87	89	91	93	94	95	96	98	99	00	01
% agree cutting benefits would damage too many people's lives	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	59	58
% agree many people who get social security don't really deserve any help	31	28	26	24	26	30	28	32	27	31	32
% agree around here, most unemployed people could find a job if they really wanted one	41	52	38	27	32	38	39	54	56	60	63
% agree most people on the dole are fiddling in one way or another	32	31	28	31	34	33	35	39	36	40	35
% agree large numbers of people these days falsely claim benefits	67	65	n/a	n/a	72	n/a	n/a	83	84	77	79
Weighted base	1243	2529	2428	2595	2957	3145	3103	2546	2478	2991	2821
Unweighted base	1281	2604	2481	2567	2929	3135	3085	2531	2450	2980	2795
	02	03	04	05	06	07	08	09	10	11	12
% agree cutting benefits would damage too many people's lives	53	54	48	47	47	44	45	47	42	42	47
% agree many people who get social security don't really deserve any help	36	38	39	40	29	36	37	34	35	35	35
% agree around here, most unemployed people could find a job if they really wanted one	65	66	69	69	67	67	68	55	54	56	54
% agree most people on the dole are fiddling in one way or another	38	39	41	39	32	39	36	34	35	37	37
% agree large numbers of people these days falsely claim benefits	81	78	84	n/a	83	n/a	82	n/a	84	n/a	81
Weighted base	2929	881	2610	2697	2813	2663	2956	963	2810	2841	2867
Unweighted base	2900	873	2609	2699	2822	2672	3000	967	2791	2845	2855

The most important questions to look at this time around would be the last three questions which try to capture people's perceptions regarding the legitimacy as well as the profiles of people collecting unemployment benefits. First, we see in the question asking "most people could find a job if they really wanted one," (BSA 2013) that something happened between 1996 and 1998 to make people believe on a more permanent basis that people collecting benefits could find a job if they really wanted one. However, in the graph of unemployment above, there is seemingly no dramatic change or event other than a fairly steady decline in both unemployment as well as Jobseekers Allowance claimants. In contrast, an almost identical question asked, regarding whether people collecting benefits were in fact "fiddling about" rather than presumably actively pursuing work or a similar way off the JSA, saw none of the same trends as the question asking whether or not people could find work if

they really wanted to. This comparison might suggest to some authors that one of those questions was badly stated and skewed the results one way or another; other authors like Mettler may conclude that there is a lack of clear information by which people are able to make opinions.

The final question in the survey suggests that a very large percentage of British citizens believe that people claim benefits fraudulently and seemingly regardless of the unemployment level at the time. However, we can see empirically, both from the fluctuating level of unemployment as well as the varying expenditures covering various programs, including the JSA, that a simple sanity test would infer that it would be impossible for large¹¹ amounts of unemployed individuals to claim benefits fraudulently, or at least one would expect to see more fluctuation considering that it seems by other survey questions that during the recent recession there is some legitimacy to being unemployed and collecting benefits.

The final aspect which is looked at specifically in the context of an invisible policy process is when citizens are unable to make accurate judgments regarding important programs. Perhaps a lack of information regarding key programs would suggest that citizens are unable to make clear and sensible opinions regarding whether they support or oppose the content of those policies. While these questions are rarely asked and hard to find, a recent article conducted by Public Finance, the magazine arm of the Chartered Institute of Public Finance and Accountancy, published an article titled “Facts and Fiction on Welfare,” which addressed that very issue. Utilized internal polling through the CIPFA finds that “Popular attitudes towards spending on welfare claimants are often based on ignorance and prejudice,

¹¹ Large is probably a poor word selection since it is subjective, however the uniformity of the response might suggest that while the word is subjective, most people have agreed on its application

fed by politicians and the media” (Smith 2013). Author Nicola Smith makes this claim after discussing findings that deviate from public spending facts. The first example of this, however, shows that “on average, people thought that around two fifths of the entire welfare budget was spent on unemployed people. In fact, only three percent of expenditure is accounted for by Jobseeker’s Allowance, while over 50 percent is spent on pensioners” (Ibid). This is the general theme of this publication being that there is a noticeable disconnect between what people think and what is the government is actually doing, concluding that “the polling shows that people can hold completely contradictory positions on benefit spending. While the public support the government’s plans to cap the uprating of benefits at one per cent, 63 percent of those polled wanted benefits to link to wages, or prices, or both – precisely what the government are legislating against” (Smith 2013).

High levels of Political Passivity

If political passivity, as it is discussed as a part of Suzanne Mettler’s model, described in the previous chapters is to be measured in earnest then it will be important to look particularly at whether there is any acts of public decent and acute forms of policy protest, or indeed whether there is positive voting behavior, indicating either public discontent with, or support for, current policy trends or decisions being made by the UK. In this way, it may be possible to get a better picture of whether the general public appears to have a major impact on the direction of social policy decision making as it pertains to social spending and benefits for the unemployed and in turn unemployed youth over the time of the ongoing recession which still afflicts the UK economy.

The United Kingdom, as seen in part 1 of this chapter, has found itself in one of the deepest recessions and highest levels of recorded unemployment, and specifically youth unemployment, in the past 20 or 30 years. Despite this, the political parties seem to be taking one of the most austere approaches to benefits in the past several administrations, taking what was described earlier as “tough love” stances on benefits programs. The policy proposals being discussed at the highest level include immanent benefits caps to the Universal Credit program as well as short term initiatives which actually have the power to withdraw unemployment benefits from individuals who refuse to accept job offers. Further, this does not appear to be a partisan position as both the coalition and opposition parties are taking hardline stances on the need to cut public spending on unemployment benefits and incentivize people to work rather than “signing on” and staying on welfare benefits indefinitely. Such party uniformity on one of the most politically charged platforms within the recession may suggest public uniformity which is demanding political consensus. However, there is some evidence that could show this is not necessarily the case.

There have been two recent protests and several major protests in the past couple of years which directly look to showcase rising level of disapproval with the cutting benefits for the unemployed which affects those who may need the assistance the most. The first of these protest movements is called UK Uncut, which has become the poster child of “direct action” protests against government austerity. The movement started in 2010, looking to inform the public and dispel the myths that the “only way to reduce the deficit is to cut public services” (ukuncut.org, 2014). This organization has garnered widespread print media attention, specifically in *The Guardian*, which has published not only coverage of notable protests

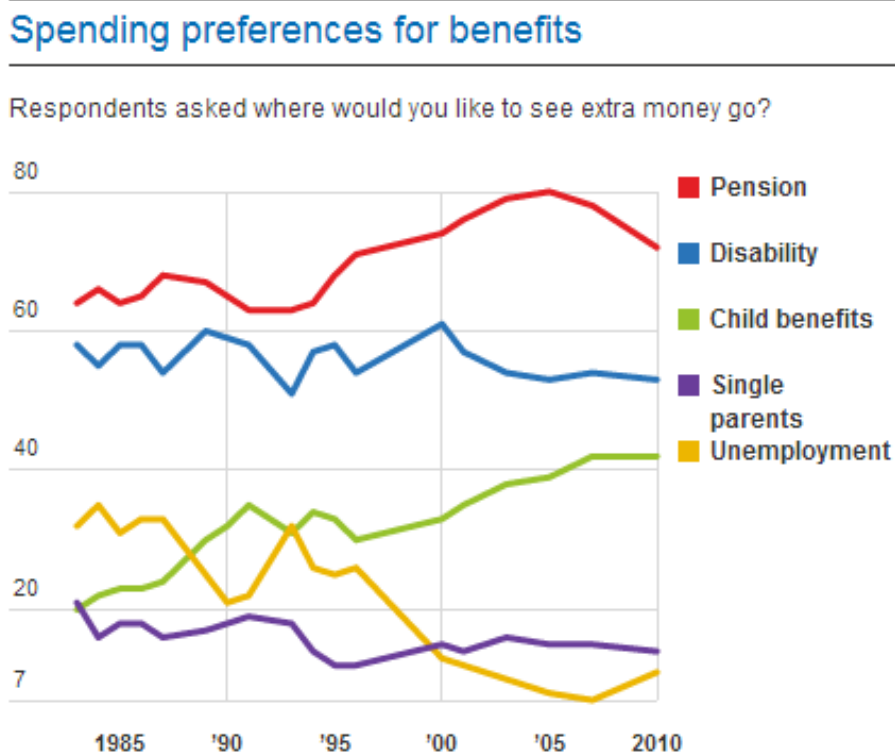
around the country but also op-ed pieces looking to get behind the scenes with organizers in order to better cover the message of the group.

UK Uncut has become one of the most active grassroots protest organizations lobbying for stricter corporate tax laws and less cuts to social assistance programs. To this end, the Uncut organization has organized 703 public protests since January 15, 2011. Clearly, this is a public and political voice that is not going away, utilizing common disruptive techniques such as roadblocks and occupations of public shopping centers. This type of organization strategy actually stems quite clearly from the other political protest group that has made some waves in the past few years all over the world, but has had a particular impact in the United Kingdom. The “occupy movement,” while specifically targeting rising inequalities between different social classes, has also tailored its message in the UK to include a public critique of the unequal shape of government tax cuts resulting in major cuts to public spending and social assistance benefits. The Occupy UK movement has, like the UK Uncut movement, managed to rally support in every major city in the United Kingdom. However, the occupy movement has also clearly lost steam while the Uncut movement stands strong. Many of the organizers of the Uncut movement blame the lack of staying power of the occupy movement on too many prolonged and exhaustive protest which was bound to lose the energy and participation that a grassroots protest requires. As such, the ongoing social media outlets of the occupy movement, including www.occupy.com, regularly supports the Uncut movement with social media coverage and support.

It is clear that some protest groups appear to be actively protesting the government’s line on social spending and benefit cuts, however if we recall the first two figures presented in part 2, section 1 of this chapter, regarding survey data on collective national values and

spending preferences towards social assistance programs, we saw that not only has the desire to tax more and consequently spend more gone significantly down since 2002, but additionally the perception that spending, as it currently happens, is too high and discourages work, has also gone up in a dramatic fashion from approximately the same year. An additional survey, conducted by the National Centre for Social Research, published by the Guardian last summer, asked individuals to itemize their preferences along all of the major recipients of social assistance, not just those that apply to the unemployment benefits discussed above.

Figure 4: Social Spending Priorities



The results, as seen above, at least on the surface confirm the results of the earlier surveys focusing strictly on opinions regarding unemployment spending. As we see, the support for allocating extra funds to those programs such as the JSA, is the least supported

area of public spending, not to mention that it has fallen significantly in popularity from the mid 1990's. This coincides with political polling conducted by The Guardian as well as by both political parties showing that "Labour's own pollster James Morris said the party faced a very severe challenge in overcoming the Conservatives' opinion poll leads on benefit cuts. He pointed to a TUC survey which showed that 64% of key Labour/Conservative swing voters backed the government over benefit cuts" (Watt and Clark 2013). These figures certainly help justify the coalition government's hardline stance on cutting such benefits considering the apparent unpopularity of such programs. That being said, there is a sharp upward change in the trending desire to spend more on unemployment programs during the time frame when these protest movements began in earnest at the outset of the 2008 global financial recession. The impacts of these movements are of course nearly impossible to calculate, however the correlation of these two phenomena may yet give some grounds for cautioned challenges or acceptance of one of the isolated models over the other.

Assistance Provided Which Violates National Values

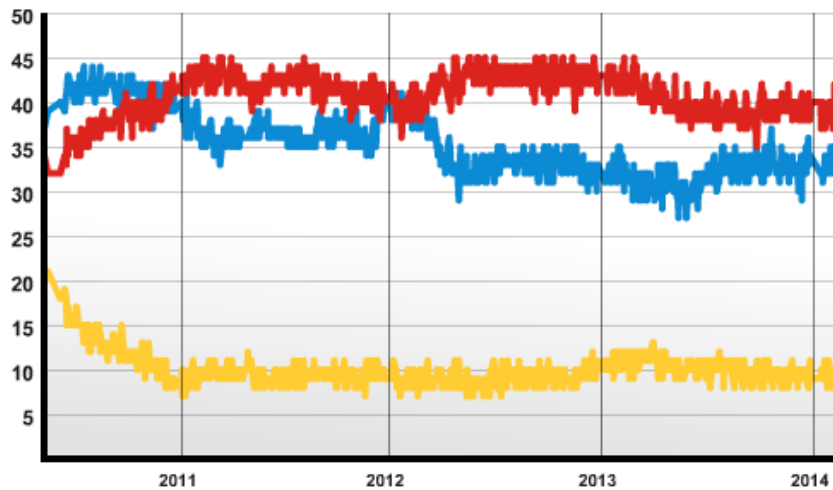
The final key to examining whether or not there is any obstructive forces shifting spending patterns away from those socially desired programs is to look and see if there are any gaps between where spending is being allocated compared to the survey data dictating what spending allocation should look like. To this end, there are three programs which specifically look to target unemployment benefits, with an additional two short term initiatives set forth to address the pervasive issue of youth unemployment as defined above. Specifically, in the final section of part 2 of this chapter, there is a comprehensive table of the different unemployment focused benefits programs and their associated yearly expenditures.

These figures, while somewhat difficult to completely flush out due to the complicated nature and multiple targets of those programs, can tell us that on the whole spending has increased in correlation with rising numbers of unemployed individuals. However, imbedded within the increases in spending as a percent of GDP, it is important to note the growing number of restrictions and conditions by which individuals are able to continue to collect social assistance benefits.

The collective increase in benefits rolled out by the Department of Work and Pensions particularly seem destined to be short lived when looking at the discussion within the legislature working to make specific cuts and caps to programs in existence as well as the increasingly diminishing proportion of social assistance spending allocated to unemployment programs as a percent of the total UK budget as discussed in the historical narrative of social spending and social need in part 1 of this chapter. However, in the sum of the national values surveys conducted both by the British Social Attitudes Survey and the National Centre of Social Research referenced throughout this analysis of the UK welfare state, people seem to generally approve limiting available unemployment benefits. This is clearly the interpretation of both the Conservative and Labour parties who have identified “tough love policies as popular with the electorate” (Castle 2013).

Figure 5: Voter Support poll 2010-2014

YouGov Voting Intention since 2010



Source (UK Polling Report 2014) *Red represents Labour party, Blue Conservatives, Yellow Liberal Dems

We see that in the above table of weekly party support figures that there appears to be no major swings in support which would suggest discontent with the fairly similar policies regarding the future of unemployment policies. Thus, despite the small rebounds in social perceptions on the need to spend more in the last year or so, as well as the confirmed existence of protest groups against benefit cuts for unemployed youth and adults alike, it seems that the UK programs in place are in fact giving enough assistance so as not to be overtly in violation of the national values of the British public. However, there are certainly distinctions and disagreements in the data which would suggest that the amount of unemployment spending, representing such a small share of total welfare spending, needs to be protected as a vital safety net.

Chapter 4: United States Case Study

Part 1: Introduction to the US Case Study

It is important to note that, in contrast to the modernizing of the UK welfare state which occurred in the 1970's and 1980's, the US welfare state has its roots dug deep in President Franklin D. Roosevelt's "New Deal" policies in the post Great Depression America. These original federal programs, such as Unemployment Compensation (now insurance), as well as the Aid to Families and Dependent Children act (shortened to AFDC) are programs from the 1930's which remain two of the hallmark tracks of American aid programs. The two general paths of American welfare being risk insurance and life cycle entitlements based on contributions paid into the pool and taken out when needed in the first typology of programs represented by Unemployment Insurance as well as Old Age and Survivors Insurance. The other typology of course, is outlined by public assistance programs providing "charity to the deserving few among the many chiselers... among which the AFDC became the biggest and most well-known program" (Fraser and Gordon 1994). It was from Great Depressions, where unemployment and inequality were so rampant, that it necessarily fell to "federal government welfare programs... to assist the unemployed or underemployed" ("The History of Welfare" 2014). However, the American welfare state has experienced some major transformations of over time. In particular, the notion that the two typologies of welfare programs in the United States have both been moving farther apart with the first type of "top tier" programs expanding while the second type of "lower tier" programs shrinking and

becoming stingier. This may not entirely be the case of course, as discussed in the literature review in chapter one, author Christopher Howard discusses that the reality of the modern US welfare state is that the lines between those two tiers have blurred significantly in determining what has grown and what has not.

However, the most important aspect of the evolving welfare state for authors like Nancy Fraser and Linda Gordon are the terms which have become imbedded in defining welfare “and are also active forces in shaping it” (Fraser and Gordon 1994). In particular, for many including Fraser and Gordon, the rhetoric has become highly stigmatized and focused specifically on the term “dependency.” Furthermore, the discussion of welfare programs have become dependency centric where “policy experts from both major parties agree that welfare dependency is bad for people, that it undermines their motivation... and accentuates the underclass mindset and condition” (Fraser and Gordon 1994). This process, particularly pursued by the conservative administrations of the 1980’s, has been referred to as a campaign against dependency and permeates all aspects of policy formation, targeting and longevity.

The context of welfare in the US was once defined by efforts to provide social assistance specifically rooted in providing a safety net for those jobless individuals marginalized by the marketplace, however as the American welfare state grew, these programs have experienced many distinctive shifts regarding program targets. In particular, the definition of welfare and those who receive it has changed in coordination with the transition from Aid to Families and Dependent Children to the Temporary Assistance for Needy Families program. The definition of welfare moved from that of the helpless “condition of poor women with children who maintain families with neither a male breadwinner nor an adequate wage and who rely for economic support on a government program” to a sense of dependency “as a

defect of individual character... deeply inflected by gender, race and class” (Fraser and Gordon 1994, 311,320). It was during this transition from AFDC to TANF which such entitlements underwent significant downsizes including a maximum of five years of federally-funded cash benefits as well as fixed state TANF budgets to be divided up between those collecting benefits. However, in addition to cuts on entitlement benefits, welfare reform for unemployment programs led to a similar critical image of benefits “There are a lot of people who abuse unemployment — people who don’t want to go out and get a job. It can be a burden on taxpayers” (O’Keefe 2014).

This shift in perceptions occurred seemingly simultaneously with a conservative shift in the UK Thatcher administration. Where the UK endured “the winter of discontent,” the US mirrored sweeping strikes for federal workers which were broken by then President Ronald Reagan in incidences such as the PATCO strike in 1981 which affected both the power of unions in the United States and also represented a shift in attitudes towards jobless. This, in addition to growing emphasis on the life cycle distribution programs like social security and Medicare, two programs which dominate the landscape of public spending, represent the shift towards helping not just those who need help to compete in the market economy but specifically to groups who are perceived to no longer be able to compete at all such as children and the elderly. In fact, the social security benefit for retirees more than doubled between 1995 and 2009 alone, jumping from just shy of \$400 million to well over \$800 million in expenditures according to official social security annual reports¹². Furthermore, the federal government in a recent congressional research publication for the House Budget Committee asserts that there are now over 80 welfare programs on the books. However, the amount of programs which explicitly go to cash benefits or subsidized education or training

¹² Can be explored at the dedicated social security website: <http://www.ssa.gov/history/tftable.html>

for jobless individuals, as was originally intended for the Keynesian welfare model adopted by FDR to pursue full employment, is very small as compared to the different disability allowances or tax credits for economically encouraged behavior such as home ownership. In fact, Christopher Howard notes this development¹³ in the US welfare state as programs have shifted to more tax credits and or refunds rather than outright subsidies and cash based insurance programs (Howard 2007).

Another key characteristic of the US welfare state, as it is described extensively in the literature review by Joseph Hacker, is that the US welfare state is one of many different policy strategies and tools to accomplish the changing roles of social assistance in society. In particular, the fact that at the federal level, the responsibility of different “welfare programs” which may be trying to target the same general groups of individuals have been divided amongst a number of federal agencies. Some such distinct agencies include “the Department of Health and Human Services (HHS), the Department of Housing and Urban Development (HUD), the Department of Labor, the Department of Agriculture, and the Department of Education” (Ibid 2014). This, of course, creates logistical problems with both determining and then measuring the size of the US welfare state, particularly when trying to narrow the scope to a specific target group such as the unemployed. These programs however, do not appear to have much in the way of overlap, unlike the UK programs which seem to constantly consolidate programs and the target groups those programs are meant to impact. Despite these apparently specific programs, data on program spending is hard to weed out in any archival publication from the Bureau of Labor Statistics which is in charge of measuring and accounting for trends in unemployment and the programs such as Federal Unemployment Insurance as well as the many job training programs administered through

¹³ See discussion of policy characteristics in Literature review

the Department of Labor. In response to that, I have decided to initially represent the picture of spending on these programs through a longitudinal study of pure public spending on unemployment benefits as a percent of GDP, compiled by the OECD, seen in Table 1 below. These figures are followed by a chart of total program expenditures from the Employment and Training Administration.

Table 11: US vs UK public unemployment spending as percentage of GDP according to OECD

Unit		In percentage of Gross Domestic Product										
Year	Year	1980	1985	1990	1995	2000	2005	2009	2010	2011	2012	2013
		▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
Country												
Sweden		27.1	29.5	30.2	32.0	28.4	29.1	29.8	28.3	27.6	28.1	28.6
United Kingdom		16.5	19.4	16.7	19.9	18.6	20.5	24.1	23.8	23.6	23.9	23.8
United States		13.2	13.2	13.6	15.5	14.5	16.0	19.2	19.8	19.6	19.7	20.0
OECD - Total		15.5	17.2	17.6	19.5	18.9	19.7	22.1	22.1	21.7	21.8	21.9

Source: http://stats.oecd.org/Index.aspx?DataSetCode=SOCX_AGG#

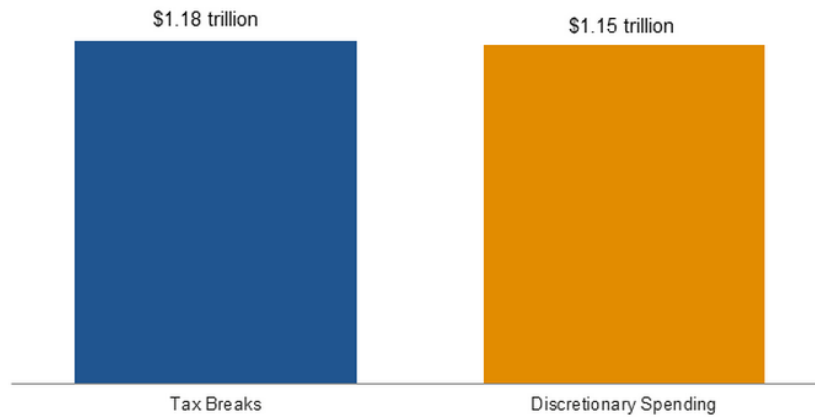
Table 12: Total Employment and Training Expenditures in millions 1992-2010

1992	1994	1996	1998	2000	2002	2004	2006	2008	2010
4,555	5,410	4,513	6,837	5,969	6,417	5,566	5,736	4,228	6,320

Source: <http://www.doleta.gov/budget/docs/tepbah14.pdf>

However such spending figures seem to mean fairly little to many authors like Christopher Howard, Suzanne Mettler and Jacob Hacker because spending on programs described on different reports from institutions such as the National Bureau for Economic Research, Bureau of Labor Statistics, U.S. Department of Labor’s “National Longitudinal Surveys” offer conflicting and incomplete data about what amounts of spending is going to what specific programs in what years, under what circumstances and to what states. Additionally, those authors know that spending data on programs in sum is not completely accurate in accounting for federal welfare assistance, particularly since the programmatic architecture of welfare programs has bifurcated to include both discretionary cash benefit programs administered by individual federal agencies versus tax credits and tax refunds administered through the Internal Revenue Service. A table compiled by the non-profit organization National Priorities Project, which aims to help make the federal budget and federal spending more transparent, outlines the two types of welfare assistance expenditures (“Federal Budget 101” 2014). One reason that the shape of welfare distribution is often obscured in the US context is seeming cyclical role of states in the provision of welfare programs, which have come full circle, from federalist inspired origins historically controlling all programs, individual states now play a major role in the modern welfare process again.

Table 13: Public program expenditures 2014
Tax Breaks Are as Large as All
Discretionary Spending
(Fiscal Year 2014)



Source:(“Federal Budget 101” 2014)

Unemployment Programs

Remembering the complexity and size of the US welfare state discussed above, it should be noted before I continue, that for the purposes of this discussion, I remain only interested in federally provided welfare programs. This choice comes as a consequence of the models which I have chosen to test in this study which focus solely on national values and national behavior without accounting for federalist systems and state deviations. Thus, I will be focusing on only the discretionary payment programs of Federal Unemployment Insurance and President Obama’s revamp of federal jobs training initiatives such as the “Second Chance” program specifically aimed at high school dropouts and incarcerated youth,

which is expected to help “as many as 6 million youth under age 24” who now find themselves unemployed (“Obama Pushes ‘second-chance’ Training” 2014).

Federal Unemployment Insurance is the most general and universal program targeted at the unemployed which, while it has some state variations, is the most broad program in that it only disqualifies individuals “for quitting work, being fired for misconduct, or refusing suitable work” (Department of Labor 2005). Additionally, UI is the only federal unemployment program which is specifically funded by its own national line item tax called the Federal Unemployment Tax which floats at a federal minimum of six percent on payroll income, but allows for individual state additions. All things considered, there are few limitations or qualification restrictions for federal Unemployment Insurance which simply “provides temporary cash benefits to individuals who are unemployed through no fault of their own, so that they can meet their basic financial needs and provide for their families while searching for new employment” (Ibid 2005). Furthermore, UI has proven to be one federal program which does have reactionary components called UI extensions which allow benefits to fluctuate in sync with the state of the economy. These benefits come as a percentage of previous wages rather than a set entitlement for a number of weeks determined by Congress to be appropriate with the time frame of the economy. The set number of weeks under Unemployment Insurance is set at 26 weeks, which was expanded from an initial 13 weeks at the outset of the program in 1935, but has the ability to extend to 99 weeks under extreme circumstances determined by Congress. There are no universal standards for the amount of cash benefits in which someone will receive, nevertheless “the average unemployment benefit was about \$300 per week in 2010, 2011, and 2012. [Yet] individual benefit levels vary greatly depending on the state and the worker’s previous earnings. In

addition, in several states, workers receive higher benefits if they have dependents” (Stone and Chen 2013) which is further dependent on the state benefit caps.

Federal jobs training programs have gone in and out of fashion with fairly specific shelf lives built into programs ever since the relatively unpopular Comprehensive Employment and Training Act which cost a total of \$34 billion dollars at its height in 1980 offering “economically disadvantaged persons training and job opportunities” as part of the Carter administration’s larger Economic Stimulus Appropriations Act of 1977 (Marshal 1981). However, these training programs under President Carter, which targeted many different in need groups with a collection of programs, including the Youth Employment and Training Program, described by Department of Labor analyst, and former Secretary of Labor under President Carter, Ray Marshal, as “the most carefully designed attack on the unemployment problems of a single targeted group ever mounted,” where short lived initiatives which met their demise due to significant public spending cuts made by the Reagan administration. More recently, the 1996 welfare to work program spent over \$3 billion dollars in grants to families collecting TANF benefits as a subsidy to pursue secondary education and jobs training programs which failed to regain funding in 2000.

Despite the seemingly rocky road for jobs training programs, President Obama, in his most recent State of the Union address, announced a \$2 billion dollar initiative over the course of three installments with an initial \$475 million in jobs training grants working with companies to establish programs which will feed directly into jobs.

Social Need

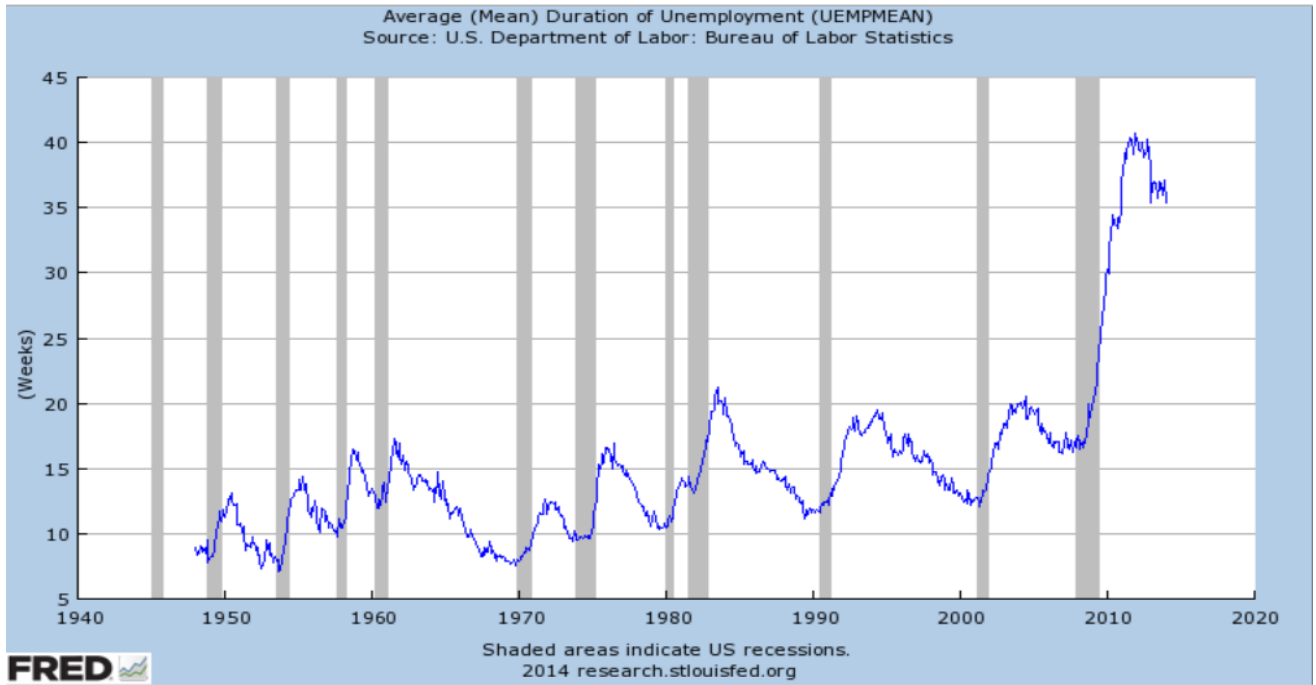
Similar to the UK case study, the foremost problem that is facing a majority of welfare states, and indeed large portions of the world, is youth unemployment characterized by those 16-25 year olds that are flooding labor markets without the ability to join the labor force in the aftermath of the global economic recession in 2008. However, In the US context, another problem according to a recent Department of Labor study, conducted in coordination with the Bureau of Labor Statistics and the Center for Budget and Policy Priorities (CBPP) is that “for the past 25 years, fewer than half of unemployed workers have actually received unemployment insurance” (Stone and Chen 2013). In particular, this problem, as outlined in the figure 6 below, requires that in order to collect unemployment insurance in the United States, individuals must be actively pursuing employment opportunities and find a job within a set amount of time dictated by Congress, based on the length of time in which benefits will be given. However, in a dramatic recession such as the one experienced in 2008, two problems emerged with the Unemployment Insurance program which indicates a particular struggle that afflicts the 16-24 year old cohort the most. First, when the length of unemployment becomes greater, seen in figure 7 below, there is a significant drop in labor force participation as people cease the job search or stop being able to collect UI benefits. Furthermore, one of the most important limitations regarding unemployment is that you have had to previously occupy a job and establish a base wage for five quarters, or around a year and three months, in order to collect any assistance during the job search. This second factor, in particular, means that during a long term recession the waves of unemployed youth will be hit particularly hard with a combination of incredibly difficult job searches and no

unemployment assistance programs to help them pursue the jobs that they need during a lengthy job search.

Figure 6: US unemployment and Labor Force participation rates 1994-2012



Figure 7: Average Duration of Unemployment 1947-2014



Furthermore, when examining figures 6 and 7 above; we see that starting in 2008, there was a sharp increase in unemployment even as the level of individuals who are participating in the job search, and as such can be counted as unemployed, are in steep decline. In other words, the true level of unemployment has been much higher than accounted for by US official measurements. This problem is compounded by the clear time limits imposed by the Unemployment Insurance program which in some cases have seen people remaining unemployed for longer than benefits are provided to them which may be a factor in the increasing level of labor force dropouts. However, though the unemployment data is not entirely perfect in capturing exactly the amount of jobless individuals in the United States, looking at the disparity in unemployment rates among the different age groups can highlight the conclusion made by authors Bell and Blanchflower¹⁴ that youth under the age of 24 have been particularly afflicted with unemployment and need social assistance. As such, Figures 8

¹⁴ Discussed at length in UK case study Part 1

and 9 highlight the unemployment rate of two age groups used to break down the difference between youth and adult unemployment in the UK case study: the youth cohort of ages 16-24 and the adult cohort of everyone aged 25 and over. It is important to note, however, the differences in the y-axis with different ceilings of unemployment as a percentage of the population among the two graphs. In Figure 3, youth unemployment tops out at nearly 20 percent, whereas in a similar looking figure 4, adult unemployment barely moves past 9 percent.

Figure 8: Unemployment rate 16-24 yr old 1947-2014

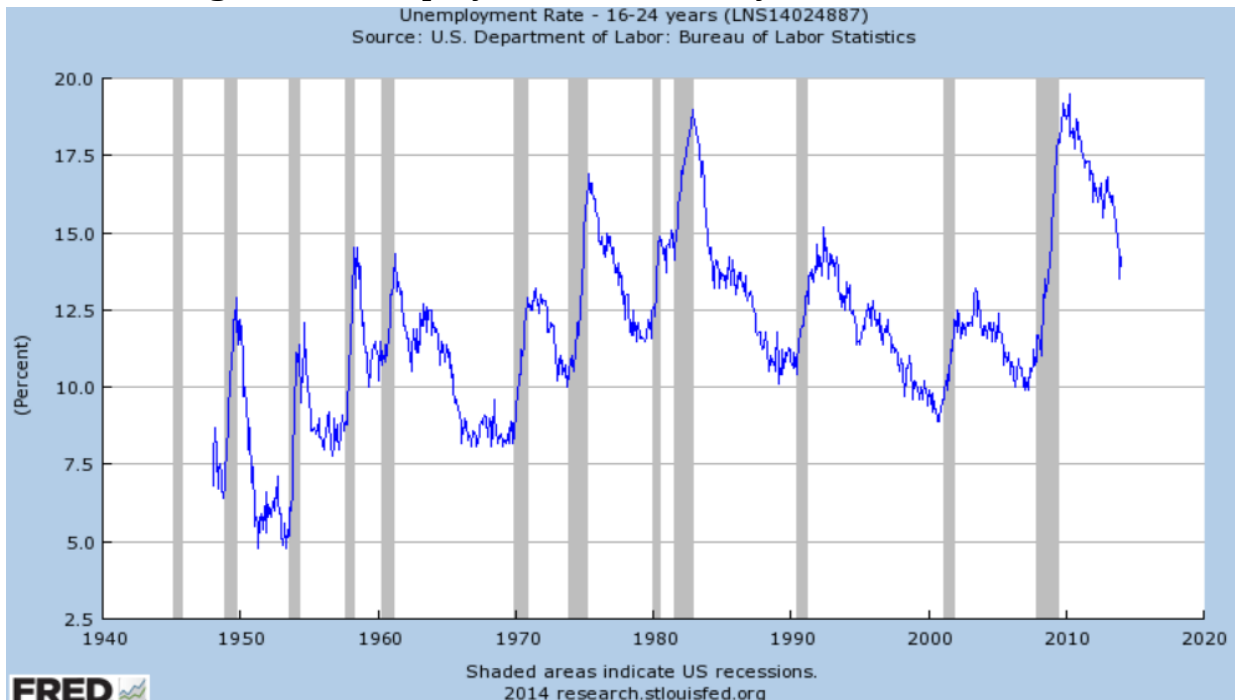
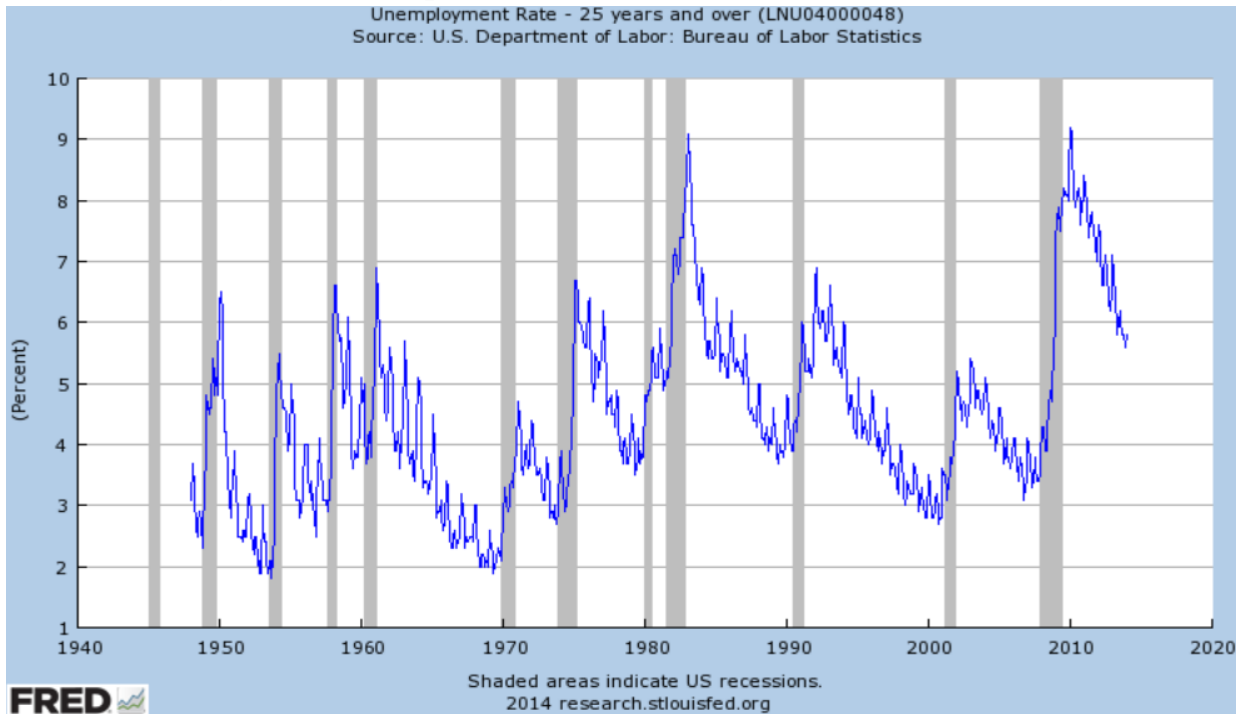


Figure 9: Unemployment rate 25 and over 1947-2014



Part 2: Operationalizing Andersen's Model

National Values

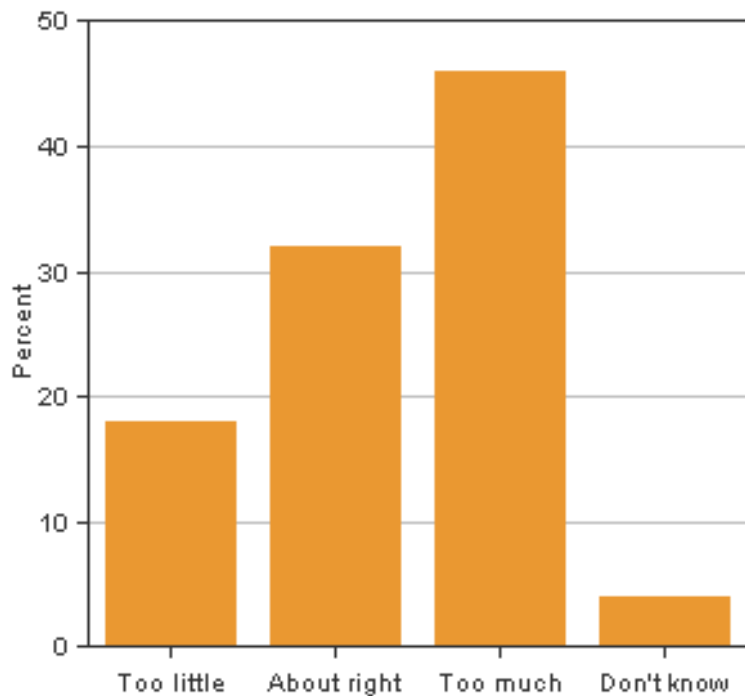
In order to determine the validity of the assumption as it has been applied to the identification of the United States, like the UK case study above, as a market centric liberal welfare state, it will be important to again look at the variety of social attitude surveys conducted both by state and non-state institutions which will help to establish trends and underlying values which may be at play in the ultimate outcome of determining how the distribution of social resources are allocated. Since the major issue of youth unemployment, as seen in the previous section, is the most pervasive threat to the major emerging group of individuals needing assistance that will not be provided by the free market system or current unemployment assistance programs, it makes sense to look at as much survey data as

possible regarding the social opinions as they pertain to providing assistance to this group of people and the conditions of support for such programs.

Of course, the most basic question to ask when looking at national values of social assistance and welfare programs is how people view the prospect of welfare spending. These questions are primarily concerned with how people feel about spending in general. A common first question on any survey trying to understand perceptions regarding government spending and welfare is commonly posed by asking participants to choose one of three statements about their preferred course of action for the government in terms of future spending. For the General Social Survey Series conducted by National Opinion Research Center (hereafter referred to as NORC) at the University of Chicago, these statements were as follows: “Are we spending **too much**, **too little**, or about **the right amount** on...welfare?”(*General Social Survey* 2012).

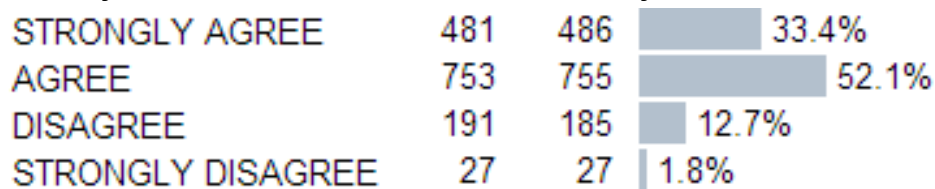
Figure 10: Average responses 1972-2012

18% Too little
32% About right
46% Too much
4% Don't know



From the figure above, two things are clear: first, as a long term study the averages hold fair significance despite a lack of access to the year to year deviations among the different answer choices. Second, it is possible to see a clear gap separating those individuals who think that the US government spends too much, rather too little, on welfare related programs, with the former more than doubling the latter over the course of the last 40 years. Furthermore, questions like this that offer a great basis for understanding and identifying patterns or inconsistencies in follow up questions such as “welfare¹⁵ makes people work less than they would if there wasn't a welfare system: please tell me whether you strongly agree, agree, disagree, or strongly disagree” (*General Social Survey* 2012). Here we see another synthesized average result as part of a series from 1972-2006.

Figure 11: average response set to: welfare makes people work less than they would if there wasn't a welfare system. 1972-2006







Source: (General Social Surveys, 1972-2006 [Cumulative File])

This is another common question which is often asked in many types of social survey studies and will be a key point of national value comparison to the UK case study. Additionally, it is important to note that nearly 85 percent of 49,550 data points collected in this survey question has led to a fairly uniformed agreement that welfare benefits indeed make people work less. An additional survey by the GSS looked at this question slightly differently in a more recent edition of the same study: “If welfare benefits weren't so

¹⁵ This is admittedly not the clearest question and would probably be better off clarifying welfare to mean welfare benefits.

generous people would learn to stand on their own two feet” with a response set of 53 percent agreeing and 22 percent disagreeing in 2009 which was up from values 38 percent agreeing and 34 percent disagreeing in 1999. For authors like Fraser and Gordon, this is in coordination with the rhetoric of dependency so often used in the way US welfare policy discourse is discussed, above in Part 1 of this chapter. However, in the same series of questions, when individuals were asked if “welfare helps people get on their feet when facing difficult situations such as unemployment: please tell me whether you strongly agree, agree, disagree, or strongly disagree with it” the responses offer a similar level of agreement, in figure 12 below, that these programs are indeed helpful.

Figure 12: average response set to: welfare helps people get on their feet when facing difficult situations such as unemployment. 1972-2006

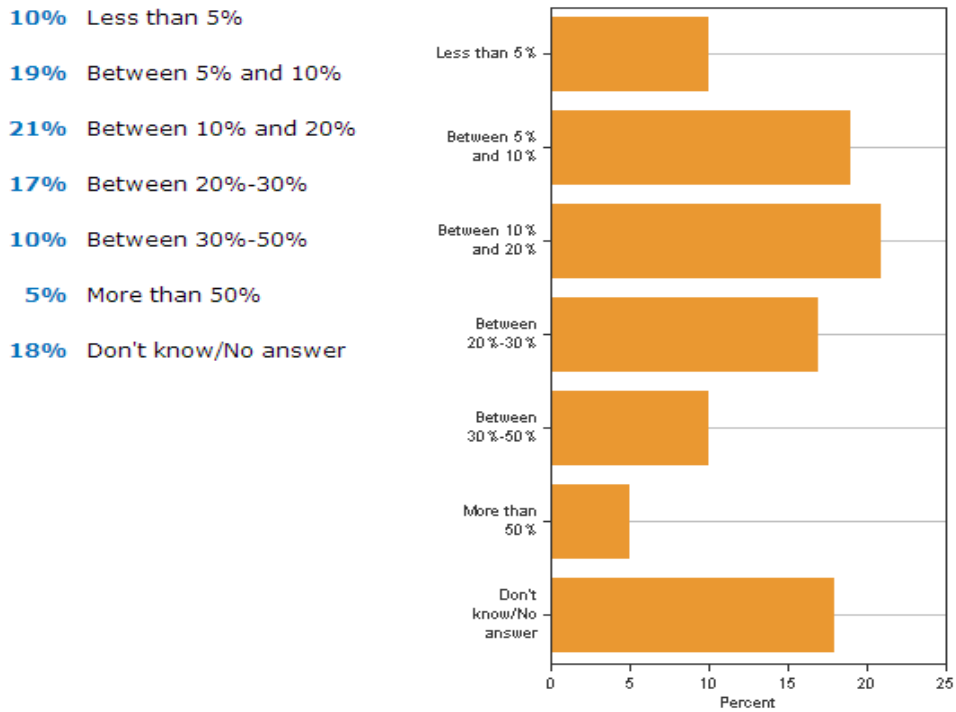
STRONGLY AGREE	183	186		12.7%
AGREE	1040	1035		71.0%
DISAGREE	193	197		13.5%
STRONGLY DISAGREE	42	41		2.8%

Source: (General Social Surveys, 1972-2006 [Cumulative File])

This information is telling in that it shows how people view these programs at face value. However, it is also important to understand what people believe the expense of such welfare programs are and whether or not those expenditures, which according to the results above both de-incentivize workers as well as offer a good safety net, create problems and carry the negative connotations of dependency. In order to accomplish this task we will look at two more figures, starting with a 2011 CBS News poll in figure 13, looking to understand what the perception of welfare spending is like among the US populous, followed by a 2013

survey conducted by Rasmussen Reports in coordination with Pulse Opinion Research on welfare dependency.

Figure 13.1: Perception of welfare spending as a percent of federal budget 2011



**Figure 13.2: Perception of welfare spending as a percent of federal budget
2011 breakdown by party affiliation**

Cells contain: -Column percent -N of cases	1 Republican	2 Democrat	3 Independent	ROW TOTAL
1: Less than 5%	7% 17	13% 52	8% 34	9% 103
2: Between 5% and 10%	14% 47	23% 84	21% 70	20% 201
3: Between 10% and 20%	19% 61	21% 74	22% 75	21% 210
4: Between 20% - 30%	19% 61	16% 66	17% 59	17% 186
5: Between 30% - 50%	14% 44	6% 26	9% 47	10% 117
6: More than 50%	6% 24	5% 21	4% 13	5% 58
9: DK/NA	21% 85	14% 76	18% 82	18% 243

**Figure 14: UK vs US General welfare spending as a portion of Federal
Budget According to OECD**

Unit	In percentage of Total General Government Expenditure										
Year	1980	1985	1990	1995	2000	2005	2009	2010	2011	2012	2013
Country											
Sweden	..	..	..	49.3	51.6	54.0	54.3	..	..	..	..
United Kingdom	..	..	40.3	45.8	49.3	46.5	47.0	..	..	..	..
United States	39.1	36.0	36.6	41.7	42.8	44.1	45.9	46.9	..	..	..
OECD - Total											

Source: http://stats.oecd.org/Index.aspx?DataSetCode=SOCX_AGG#

Of course, when comparing the data in figure 13 to the OECD information presented in figure 14, on what percent of the federal budget is spent on general welfare programs, the public is largely unaware. In fact, people do not seem to realize how much does get spent on welfare programs when you include things like social security, tax credits as well as subsidy benefits like food stamps. However, a better question would have asked what percentage of

the federal budget is spent on programs like Unemployment Insurance because I believe it is programs like the UI and TANF and the EITC which people account for when considering what percentage of the federal budget is spent on those programs. In those cases, I would be fairly certain in predicting that there would be clear disparities between what people think is going on and what is actually happening in terms of public spending on these specific programs. Empirically, federal spending specifically allocated towards Unemployment Compensation programs never gets above a 1 percent share of GDP at any time in the past several decades according to the OECD report on public unemployment spending in 2013; however we do not know what is believed to be spent on these programs by the general public.

Table 14: US vs UK public unemployment spending as percentage of GDP

year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
US	.2	.3	.2	.3	.5	.5	.4	.3	.3	.3	.3	.9
UK	.4	.4	.3	.5	.3	.3	.2	.3	.2	.2	.3	.5

Source: OECD (Public Unemployment Spending 2013.)

Further, a recent 2013 public opinion study published by Rasmussen Reports, observes that “Americans believe that too many of their fellow citizens are financially dependent on the government” (“64% Think Too Many Are Dependent on Government Aid” 2013). This is made clear by the results of the survey which asked people whether too much dependency is generated by current welfare programs, the results of which show that “64% of American Adults think there are too many Americans dependent on the government for financial aid” (Ibid, 2013). While only 25 percent disagree and 11 percent are unsure as to how much dependency is created. In other words, even amidst a deep recession, there is a

lack of legitimacy for US unemployed adults as mirrored in the GSS question regarding incentive to work less.

Support within the Legislature

Going back to examine the Andersen model, as it was laid out in the second and third chapters of this study, the importance of the legislative process is highlighted as barometer for Anderson. In particular, Andersen views the role of the legislator to be the intermediary, between the general populous and the end result of policies delivered by the federal government, which in theory would legitimize and refract the values expressed by society into the aforementioned policy decisions and how they are ultimately made. Now that we have examined the values imbedded in surveys, we can now examine the political discussion in the media to examine what is happening on the leading edge of legislative discourse.

In general, of course, political discourse between the two parties is often seen as polarized between the Democratic and Republican parties. Indeed, “an extensive body of research in comparative political economy demonstrates that Left and Right governments make different policy choices with a good deal of consistency” (Pontusson and Raess 2012, 28). In this context there has been a significant deal of disagreement within the discourse between the parties in determining adequate responses to the economic downturn and the fate of unemployment benefits in particular. Emily Cartridge of Congressional Quarterly describes the problem: “Congress seems stuck trying to balance economic priorities” (Ethridge 2010). The key for the Democratic Party is that they believe “Unemployment Compensation is one of the easiest ways to stimulate the economy because recipients are more likely to spend the money rather than save it, lubricating the economy” (Harrison and

Ota 2013). Additionally, there is the sense that cutting off benefits too soon will not only prevent individuals from accessing the necessities such as access to food and shelter, but that these cuts will create an even greater lag in the economic downturn.

On the other side of the isle however, “many Republicans oppose spending the money” (Harrison and Ota 2013). In particular, this is the line of argument being offered by the general populous of the GOP who claim not to be opposed to the idea of some state benefits to the unemployed and particularly so during times of major recession, however, the federal UI program has been extended 8 times since 2008 and “there’s a feeling that it has gone on for a long, long time, and it can’t continue” (Ibid 2013). In essence, the Republicans feel that it is time they draw a line in the sand, and actually did so by blocking further extensions proposed in President Obama’s 2014 Fiscal Budget thus allowing emergency benefits to run out as of December 31st 2013. The reasoning for this strong opposition being that such ongoing provisions “reduce pressure on unemployed people to find, work and it adds to government spending at a time when the debt is soaring at record levels.... This is a battle about helping the people that need our help today without hurting the children of tomorrow” (Ethridge 2010).

However simple the Republicans argument may seem, Democrats including President Obama, have continued to question their motives as well as openly criticized the Republican Party after it blocked extensions to the Unemployment Insurance in the budget at the end of last year saying, “Instead of punishing families who can least afford it, Republicans should make it their New Year’s resolution to do the right thing” (Baker 2014). The Democratic position has been “renewing their calls for extensions of unemployment benefits... during every recession since the 1950’s” (Benson 2008). Additionally, Obama has been pushing

hard to pressure major businesses to sign an executive memo to not discriminate against the long term unemployed and indeed promote specific training programs run by businesses and funded by the Department of Labor with a guarantee of job placement upon the successful completion of such programs. In response to the Republican adage throughout this debate saying “the fight is mostly about the money” (Harrison 2011) the Democrats have responded by saying that extensions are about the “more than 6.5 million people who said they had been out of work for more than 6 months or longer, [which is] double the number at the low point from the last severe recession in 1981-1982” (Ethridge 2010).

Nevertheless, the Republicans seem unwilling to budge, and as such, have been blamed for an “opposition and a lack of urgency” which has prevented progress in “jobless benefits from moving forward... after a protracted and ultimately fruitless partisan struggle” (Benson 2008). Ironically however, authors such as Christopher Howard in his book “The Welfare State Nobody Knows,” points out that the political discourse in the United States is hardly ever as clear cut as people may perceive. He notes that many of the largest expansions, both in terms of eligibility and benefits, of welfare programs like the EITC and Medicaid happened under the Reagan Presidential administration. Regarding the issues of unemployment and welfare spending, “some Republicans, including Speaker John A. Boehner of Ohio, are open to renewing the benefits as long as the cost can be offset” (Baker 2014). As seen above however, it is clear that this may not be the case for many of the Republican Party, considering recent vocal opposition from members such as Rand Paul, to the new unemployment bill with arguments that extend beyond economic conservatism to both moral and philosophical grounds saying “benefits are a narcotic for the unemployed, lulled by handouts away from seeking work”(Weisman 2014).

In this regard, it would seem that the actions against emergency Unemployment Insurance extensions speak louder than the words and the experience of Speaker Boehner's words of potential compromise. Of course, one question is always going to be: do the Republicans need to compromise away from their growing opposition of big federal programs? According to "Aaron Carroll of Indiana University," the impression given to the Republican GOP by the populous voting block is no, "residents of the 10 states Gallup ranks as most conservative received 21.2 percent of their income in government transfers, while the number for the 10 most liberal states was only 17.1 percent"(Krugman 2012). Of course, it is worth noting that there is a common understanding that the poorest states, which are receiving a majority of government benefits, also happen to be the most conservative. To be clear, it would be wrong to assume that the poor are voting for the Republican party based on their welfare policy agenda, but rather this block is often linked to issues of religion and State's rights. However, that being said, a recent video documentary series and related article published by the New York Times titled "Even Critics of Safety Net Increasingly Depend on It," shows that a disconnect does exist for many of the elderly and poor in these states which are state dependents, yet elect extreme conservatives, and in the case of Lindstrom, Minnesota, a Tea Party representative running on the "promise to cut government spending" (Appelbaum and Gebeloff 2012). It is no secret then why members of the Republican Party like Rick Santorum and Mitt Romney claim "President Obama is getting America hooked on the narcotic of dependency... fostering passivity and sloth"(Krugman 2012).

Benefits Provided

Now we have laid the framework of the Andersen model, including an account of the national values, as well as the political discourse regarding the issues of youth unemployment, and in particular the cost of unemployment assistance programs across all ages, in the United States. It is finally time to look at what is actually happening within these welfare programs discussed within the contextual narrative segment of this chapter in order to make sense of whatever relationships may exist between the earlier operationalized variables and Andersen's dependent variable looking at what benefits are being provided. In figure 15 below, I have laid out the expenditure report on the single most important cash transfer program targeting the unemployed; Unemployment Insurance.

Figure 15: Unemployment Insurance transfers in millions 1980-2013

Year	UI expenditure in millions
1980	18,051
1990	18,889
1992	39,466
1994	28,729
1996	24,898
1998	22,070
2000	23,012
2002	53,267
2004	44,994
2006	33,814
2008	45,340
2009	122,537
2010	160,145
2011	120,556
2012	93,771
2013	82,618

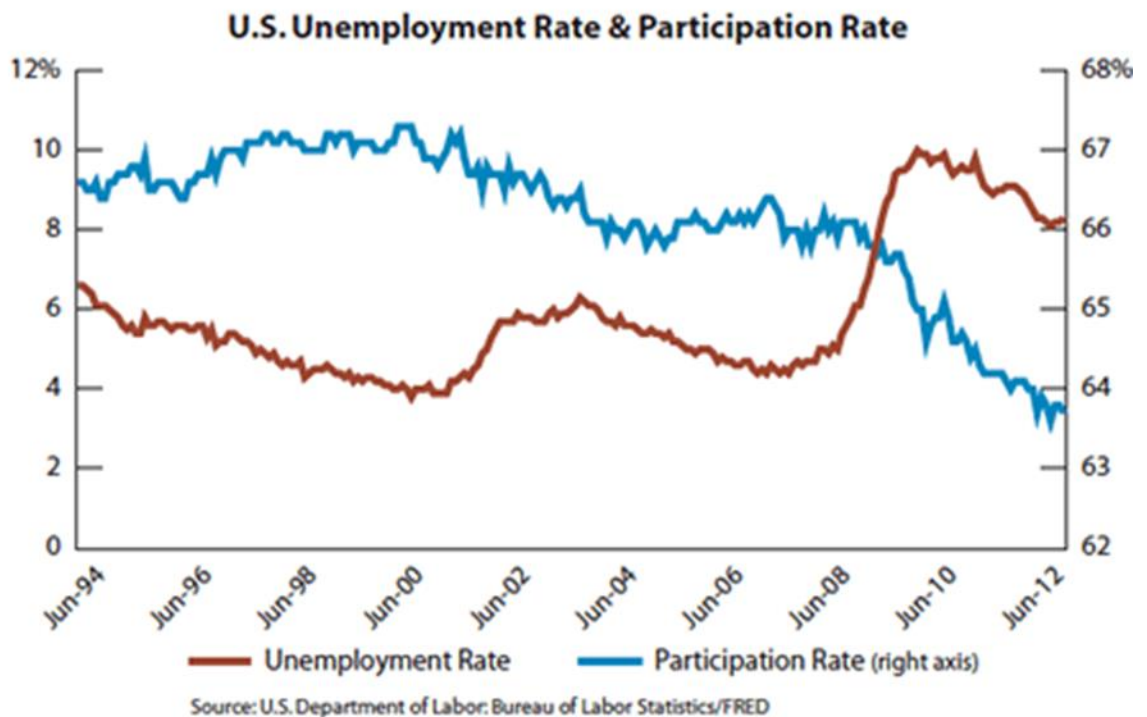
Source: Government printing office, federal government outlays 1962-2018

*grey represents beginning of 2008 recession

Looking at the above expenditures, one thing is immediately clear, spending on the unemployment compensation benefits has gone up fairly significantly starting in about 1990 and then explosively in the most recent recession starting with the gap between 2008 and 2009. Of course, there are some historical contexts regarding the unemployment rate which

may help clarify some of the data above and can be seen for the second time below in figure 16.

Figure 16: US unemployment and Labor Force participation rates 1994-2012¹⁶



In particular, it is important to note how the time frames align between the unemployment rate and the correlated spending that would logically follow it. For instance, we see in the early 2000's, the unemployment rate in red is going up, even as the participation rate in the labor force is going down¹⁷, which nicely corresponds with a hike in unemployment benefits being distributed. Again, during the financial crisis we see the unemployment rate cross the participation rate, indicating high unemployment and conditions which are driving the discouraged unemployed out of the labor force faster than the rising

¹⁶ See Figure 6 for reference information, page 105

¹⁷ This is a big indicator that there are higher levels of jobless individuals than the Unemployment rate is showing.

unemployment rate which acts as an obstruction to understanding the true levels of jobless individuals in need of assistance. However, there is quite a significant explosion in spending on the UI program. This was due to the explosion in the sub category of emergency unemployment compensation, otherwise known as the extensions piled on by Congress. During 2010 and 2011, the emergency spending actually surpassed the amount of spending allocated through the basic program itself. Thus, when people started running out of the 47 week extension initially approved by the Obama administration until the beginning of 2014 expired for some people, it is clear that both the unemployment rate and spending levels began to sharply decline around 2012 and 2013. However, the participation rate in the labor force continues to fall at a steady rate which suggests that not all of the people who are no longer being counted as unemployed and receiving UI have found jobs.

Another point of reference to put the spending dollar amounts in perspective is the OECD table, representing the percent of the federal budget spent on unemployment compensations, displayed in the previous section of this chapter. That table shows that even during the beginning of the recession in 2009, when expenditures skyrocketed, the various unemployment programs including UI never accounted for more than 1 percent of the federal budget. Lastly, the recent youth jobs training initiatives proposed by President Obama, are short term grant programs with no year to year funding data and allocations disbursed among numerous programs which hold no place of significance in the Department of Labor or Department of Education which the programs are being channeled.

Part 3: Operationalizing Mettler's Model

Organized Narrow Interests

Organized interests are usually inferred to mean unions or business lobbies which are able to use collective resources in order to have a voice in the policy making process.

However, in the United States, the power of organized unions is generally considered to have significantly diminished since the Reagan administration, which in the handling of the PATCO strike was seen to “strip employees of collective bargaining rights” and power for the decades to follow (Mccartin 2011). Thus, it is really the purpose and goal of this variable to measure whether or not business organizations are able to establish unequal representation in the policy making process, and in doing so, forward specific policy interests. For elite theorist writers such as Jacob Hacker and Paul Pierson, focus on the power and impact of business advocacy groups as being the primary winners of the labor versus business interest struggle. Furthermore, authors including Richard Farnsworth, note that measuring elite influence happens in two major avenues; elites use their well-funded organizations to exert unmatched monetary influence through campaign finance and general lobbying finance or they utilize their elite connections in order to generate less formal access to important actors within the policy making process. In the context of the United States there are several major actors who apply both forms of influence and thus are considered to hold a major place in the policy agenda atmosphere. Such organizations include the US Chamber of Commerce, the National Association of Realtors, the Business Roundtable and the National Federation of Independent Businesses.

However, before talking specifically about these groups and how different theorists have measured their influence, it is important to briefly discuss why it is that these organized interests have become increasingly synonymous with organized business interests in the comparative public policy literature. Jonas Pontusson and Damian Raess particularly address this discussion by simply highlighting specific indicators of union power over the course of three different recessions in order to demonstrate the “decline of organized labor since the 1980’s... [and] the growing economic and political power of finance” (Pontusson and Raess 2012, 15). In particular, the argument is made that “shifts in the interests and power of economic actors must be taken into account” to explain broad changes in policy patterns (Ibid 2012, 15). These accounts of social power and influence are best identified in times of crisis which demand policy change thus we can look at some specific figures of union density¹⁸ across several decades and economic downturns in figure 17 below.

Figure 17: Union Density major OECD countries 1980, 2007

	Union density	
	1980	2007
France	18.3	8.0
Germany	34.9	20.1
Sweden	78.0	73.8
United Kingdom	50.7	28.7
United States	22.3	12.0

Source: (Pontusson and Raess 2012, 17)

As we can see, the fall of unions was a particular aspect of deindustrialization and globalization since the 1980’s which many theorists, including Pierson and Hacker, say have

¹⁸ Union density is merely a measure of the Union Participation rate in the labor force

allowed business interests to win out as the key policy players. However, for elite theorists this conclusion is not all too easily arrived at, as discussed at length in Pierson and Hacker's article,¹⁹ "Winner Takes All." In particular, they recognize that "unions and corporations are hardly mentioned... [just as] the regime of policy arrangements that structure the political economy are essentially invisible" (Hacker and Pierson 2010, 167). For them, it is apparent within the drastically rising inequality pervasive in the American context, and particularly with regard to risk compensation and general social transfer programs, business elites have cornered the policy making process "with unique capacities to reward and punish" decision making actors far more significantly than the median voter.

How this gets accomplished returns us to the discussion of the bifurcated measures of financial power and unequal access, as they apply to the capacity of the business advocacy groups listed above to influence the policy process. The first indication of money spent, which leads to this list of "heavy hitters" above, comes from the Center for Responsive Politics which is a watchdog organization that publishes its findings under the webpage name opensecrets.org. In particular, they have identified the U.S. Chamber of Commerce and the National Association of Realtors as the top two lobby organizations in terms of financial outlays as seen below in figure 17. Further, Open Secrets shows us that the amount of lobbying monies present in the political process has more than doubled in just the last 15 years, as business organizations place higher financial stakes and investments on potentially favorable policy outcomes. One explanation for this uptrend of financial lobbying efforts is given by Professor Jennifer Victor from George Mason University who explains in her paper, "Gridlock Lobbying: Breaking, Creating, and Maintaining Legislative Stalemate," that the

¹⁹ Hacker, Jacob S., and Paul Pierson. 2010. Winner-Take-All Politics: How Washington Made the Rich Richer--and Turned Its Back on the Middle Class. Simon & Schuster.

persuasion oriented level of influence becomes much more important during times of gridlock where non-decisive actors will have a better chance of influencing the few key political actors to alter policy outcomes (Victor 2012). This sentiment is reinforced by Pierson and Hacker who believe that the real measure of changing business power is the simultaneous lack of specific reform to the programs because “these groups have the ability to block change and effectively resist the updating of policy over an extended period of time in the face of strong contrary pressure and strong evidence that policy is failing to achieve its initial goals... a process known as policy drift” (Hacker and Pierson 2010, 168). Thus, it is clear for Pierson and Hacker that not only is lobby spending increasing in times of gridlock, but that in part, gridlock is a function of business lobby efforts to create polarization which in turn favors policy drift which “helps the cause of those who wish to block reform... and has encouraged the rise of winner-take all” policies (Hacker and Pierson 2010, 171).

Figure 18: Top Ten Influential Organizations by Money Spent 2013

Top Lobbying Organizations, 2013

Rank	Organization	Total Lobbying
1	US Chamber of Commerce	\$74,470,000
2	National Assn of Realtors	\$38,584,580
3	Blue Cross/Blue Shield	\$22,510,280
4	Northrop Grumman	\$20,590,000
5	National Cable & Telecommunications Assn	\$19,870,000
6	American Hospital Assn	\$19,143,813
7	Comcast Corp	\$18,810,000
8	American Medical Assn	\$18,160,000
9	Pharmaceutical Rsrch & Mfrs of America	\$17,882,500
10	General Electric	\$16,130,000

Figure 19: Total Lobby Money and Lobbyists Recorded by Senate Office of Public Records 1998-2013

Total Lobbying Spending		Number of Lobbyists*	
1998	\$1.45 Billion	1998	10,406
1999	\$1.45 Billion	1999	12,933
2000	\$1.57 Billion	2000	12,536
2001	\$1.64 Billion	2001	11,831
2002	\$1.83 Billion	2002	12,113
2003	\$2.06 Billion	2003	12,913
2004	\$2.20 Billion	2004	13,167
2005	\$2.44 Billion	2005	14,071
2006	\$2.64 Billion	2006	14,495
2007	\$2.88 Billion	2007	14,837
2008	\$3.30 Billion	2008	14,195
2009	\$3.50 Billion	2009	13,787
2010	\$3.55 Billion	2010	12,965
2011	\$3.33 Billion	2011	12,711
2012	\$3.31 Billion	2012	12,433
2013	\$3.21 Billion	2013	12,279

Source: <http://www.opensecrets.org/lobby/index.php>

Looking at the tables above, we see that not only is the Chamber of Commerce the single biggest lobby group, contributing more than a quarter of the total money spent, but also that this broad base organization “representing the interests of more than 3 million businesses of all sizes, sectors, and regions” (“About the U.S. Chamber” 2014) are the

greatest contributors in a time of major recession. However, it is not just the amount of money that these groups spend that makes them significant players in the policy making environment, or as the U.S. Chamber of Commerce claims, the “voice of business interests in Washington, D.C.” (Ibid 2014). In fact all of these organizations have some similar message of special access and influence on the headlines of their websites. The NFID argues that the significant share of economic impact created from member activities means that “lawmakers have a special obligation to ensure that public policies help spur economic growth by taking into account the unique perspective of those who are owning and operating a small business in America” (NFID 2014) which is done through the active media campaigns and public policy reports generated by its very own research institute. Furthermore, the Business Roundtable emphasizes that it is an organization, not of businesses, but rather “an association of chief executive officers of leading U.S. companies working to promote sound public policy and a thriving U.S. economy” (Business Roundtable 2014) The leaders of elite companies like AT&T, Meyers, and Walmart which collectively represent “7.4 trillion dollars in annual revenues” as part of the Business Roundtable use the collective voices of business elites to “successfully penetrate noneconomic institutions such as public agency advisory panels” (Useem 1979) which gives them further access to present internally generated policy opinions and reports on core issues.

As for what the results of these efforts being made actually are, it is clear at least that the Chamber of Commerce and the National Federation of Independent Businesses have taken a vocal opposition to the extension of unemployment insurance as well as “supports eliminating the Federal Unemployment Tax (FUTA) “surtax,” lowering the FUTA tax and returning the unemployment insurance system to the states” (NFIB 2014). While the big

business interests of the Business Roundtable has focused specifically on the jobs training initiatives of the President Obama, such as the new \$2 billion initiative discussed in his State of the Union address which included grants channeled through the Department of Labor which “would direct \$150 million to partnerships (training programs run by companies) that help workers develop needed skills” in addition to proposed Workforce Investment Act reforms which would allow for community college programs to meet specific business needs as dictated by business input.

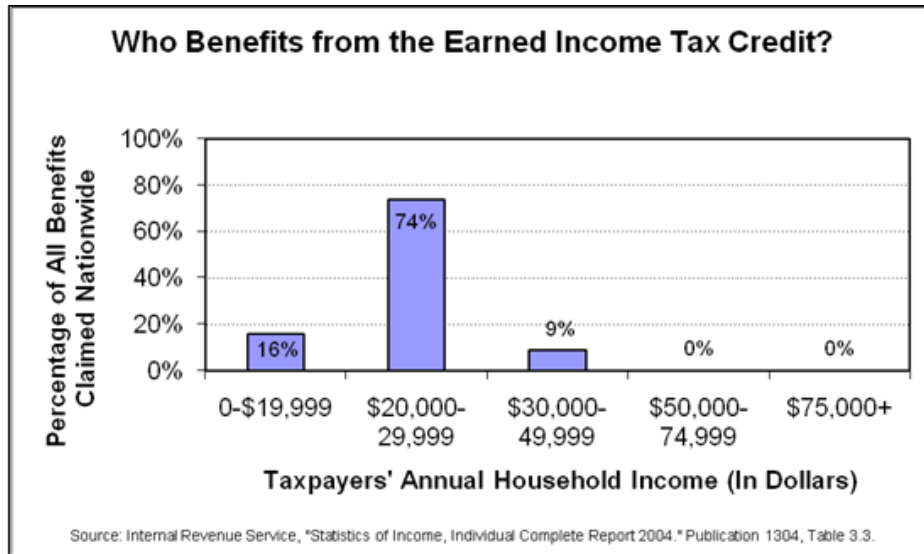
Invisible Policy Process

As was discussed in the theory and methods chapter above, one of the crucial variables for Suzanne Mettler’s model of state social policy behavior is what she finds to be the presence of, or lack of, an invisible policy process which obstructs the reality of policy decisions being made. This will in turn pacify the general public and allow the previously discussed organized business interests to dominate within policy decision making at the highest level without competition. In other words, “vibrant democracy requires that citizens possess the inclination and capacity to take action... visible policies have the potential to enhance individuals’ disposition to become involved... submerging the state inculcates passivity and resentment” (Mettler 2011, 27). For the most part, this is measured by individual’s experiences and perceptions of their experiences with welfare programs and what programs are providing benefits to whom.

Mettler, being concerned with the study of this phenomenon in the U.S. context conducted her own study and own compilation of survey data which would be silly to ignore in this study. To this point, Mettler was concerned with what she deemed to be an invisible

policy process built into the system of social assistance programs in the United States but did not limit scope, as I have done, to the focus on unemployment programs and initiative. As such, the data she provides will be more generally focused on people's interaction with the welfare state as a whole, but with room for analogy and extension to findings regarding the specific unemployment policy issues. The types of questions that are meant to get at the heart of the visibility-invisibility problem for Mettler are twofold in nature with two stages of question and answer interviews which revolve around the concept of asking question followed by the presenting of policy specific information and then asking that same question again. Thus, invisibility is simply measured in the deviation between the results of questions as well as simply analyzing how much information is available to individuals in the initial decision making process. Such questions are meant to be basic in nature and ask individuals: "Do you favor or oppose the federal Earned Income Tax Credit" or "Do you favor or oppose the Home Mortgage Interest Tax Deduction" as the first type of question, while the other investigates personal experiences, asking about personal incomes and party preferences in order to determine if information played a role in how people vote and whether people vote in keeping with preferences to programs that they might be participants of. The difference in question appearance is shown below in figure 20 and 21. The results from questions on three different programs with different distributive qualities, before and after information is given, can be found in Figure 21.

Figure 20: Question on Earned Income Tax Credit with information on distributive qualities.



Do you favor or oppose the federal Earned Income Tax Credit?

- a. Favor strongly
- b. Favor somewhat
- c. Oppose somewhat
- d. Oppose strongly
- e. Don't know/no opinion

Figure 21: Results for question on Earned Income Tax Credit

Answers	%Favor	%Oppose	%Don't Know
Pre information	52.6	15.1	32.4
Post information	75.3	15.8	9
% Change	+22.7	+.7	-23.4

Source: Mettler 2011, 57

What we see above is that “in the case of the EITC, once people realized that it actually helps low income people, support grew by a full 22.7 percentage points” (Mettler 2011, 58). Further responses to other questions show similar results in that when people are presented with specific policy information, the people who have no opinion rapidly decreases and “once informed of policy effects, were inclined to articulate policy preferences that favored the less well-off” (Ibid 2011, 65).

Of course, data which comes to similar conclusions regarding the inconsistent way in which the general public are generating opinions on different policy support and political parties that do not align with their own beliefs is not unique to Mettler, as seen if we look back to the media analysis on support within the legislature in part 2 of this chapter. There Paul Krugman, writing for the New York Times, provides an empirical analysis showing that “residents of the 10 states Gallup ranks as most conservative received 21.2 percent of their income in government transfers, while the number for the 10 most liberal states was only 17.1 percent” (Krugman 2012) when we know additionally that the conservative party has a strong moral, and as such, political opposition against supporting these social transfer programs which provide assistance to their voting base.

High levels of Political Passivity

If political passivity as it is discussed as a part of Suzanne Mettler’s model, described in the previous few chapters, is to be measured in earnest then it will be important to look particularly at whether there is any acts of public dissent and acute forms of policy protest, or indeed whether there is positive voting behavior, indicating either public discontent with, or support for, current policy trends or decisions being made by the U.S. government. In this way, it may be possible to get a better picture of whether the general public appears to have a major impact on the direction of social policy decision making as it pertains to social spending and benefits for the unemployed, and in turn, unemployed youth over the time of the ongoing recession which still afflicts the U.S. and global economies.

Looking to the media, it is certainly hard to overlook the occupy movement, as the most public and clear form of basic protest to the plight of the unemployed and high levels of

inequality now imbedded within U.S. society. However, at least in the United States, there are no real comparative acts of public dissent as seen throughout the European Union according to Alejandro Chafuen, a contributor to Forbes magazine, writing on the outlook of youth unemployment in the U.S. as the “21 percent of unemployed youth is fast approaching the average youth unemployment rate in Europe which stands at approximately 24 percent” (Chafuen 2013). However, a lack of public protest does not mean the lack of activism in the U.S. as many youth unemployment activists have taken to organizing on the internet and airways of social media according to Dan Tapscott in his recent Huffington Post article titled, “The World's Unemployed Youth: Revolution in the Air.”

In the U.S. the key players in the fight against youth unemployment are grassroots; crowd sourced and group funded organizations such as the Young Invincibles, Fix Young America, The Campaign for Young America and Mobilize.org. Hannah Seligson, in the New York Times article, “The Jobless Young Find Their Voice,” describes these groups: “In a way, they are the younger siblings of Occupy Wall Street, but with a nonpartisan agenda, more centralized leadership and one specific mission: to help young people find jobs”(Seligson 2012). In fact, these groups operate basically as think tanks and special interest groups according to their respective websites “to offer prescriptions for solving youth unemployment” (Ibid 2012). Rather than fighting the perceived lack of representation and government responsiveness to the issue of youth unemployment, as well as the resulting youth poverty issues, with posters and protests, these groups are publishing policy briefs and forwarding a unified, all be it social media based, political campaign.

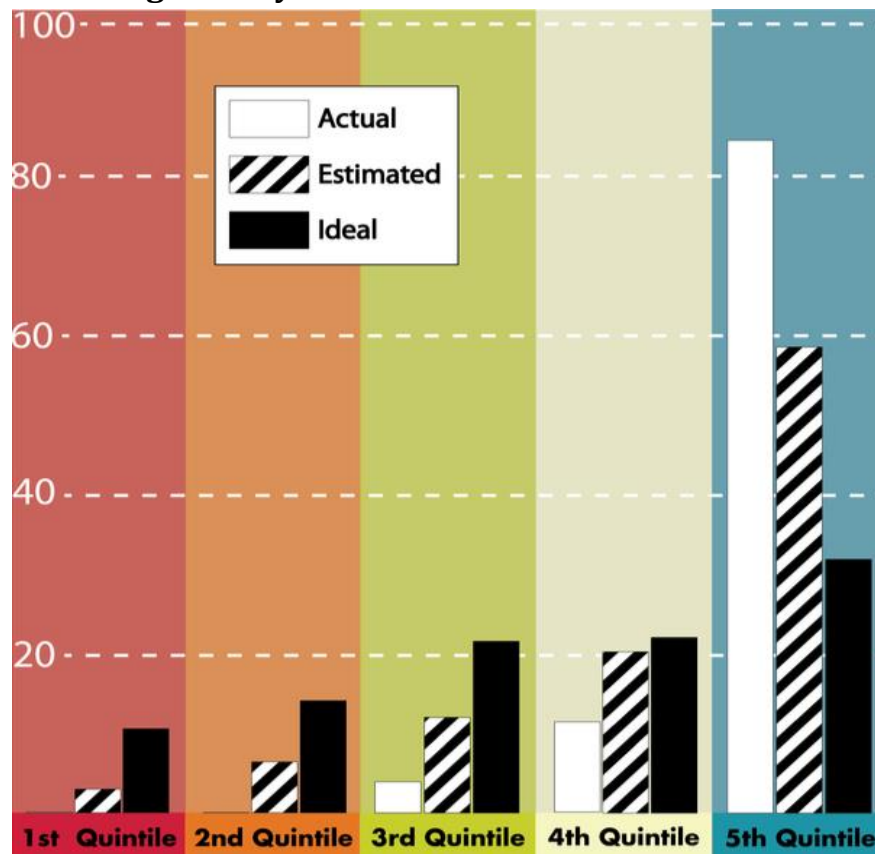
Assistance Provided Which Violates National Values

The final key to examining whether or not there are any obstructive forces shifting spending patterns away from those socially desired programs is to look and see if there are any gaps between where spending is being allocated compared to the survey data dictating what spending allocation should look like. To this end, there is only one program of particular note which specifically looks to target the unemployed and provide assistance during the job search in the United States: Unemployment Insurance, albeit with room for additional emergency add on programs such as Emergency Compensation benefits. This program, coupled with an additional few short term jobs training initiatives, set forth to address the pervasive issue of youth unemployment, as defined above in the final section of part 1 of this chapter, leaves us a good place to start.

In particular, Figure 14 on page 113 shows the yearly expenditures for the UI program and the significant upward trends therein. These figures, while somewhat difficult to completely flush out due to the complicated nature of the way in which UI is allocated to individuals across differing time frames, as well as the in flow and out flow of who is actually counted as unemployed in the system, can tell us that on the whole spending has increased in correlation with rising numbers of unemployed individuals when compared to figure 15. However, imbedded within the increases in spending as a percent of GDP, it is important to note the growing opposition to further extending how long and how supportive cash transfer programs can be, thus limiting what individuals are able to collect as social assistance benefits, even in times of recession, and what expert labor economists such as Robert Reich have coined as a jobless economic recovery in his recent documentary, “Inequality For All.”

That being said, a recent study on American preferences of wealth distribution and redistribution in society conducted by M. I. Norton and D. Ariely shows that these opinions on legitimacy and social transfers may not be wholly cut and dry in U.S. More to the point, they conclude that many individuals may not actually know what they want, let alone what they are getting from the social policies that they support. In figure 17 below, we see three choices of different arrangements of social wealth maintained by established government policies, from which individuals in a survey were asked to choose preferences. One represented perfectly egalitarian values, one was a representation of Swedish distributions, with the last being the visual distribution of wealth in the United States.

Figure 22: Choosing ideal systems of social transfers in Welfare State



Source:(Ariely 2012)

Looking to the visual representation of different allocations of wealth distribution above in figure 22, these results show peoples preferences, when given the option to dictate their ideal wealth distribution in the United States, in the solid black bar. The striped bar shows what people believe the distribution of wealth is in the United States, which for many is significantly more than what they would want. Finally however, we see that not only is there significantly more inequality than what people want, the real distribution of wealth in the white bar is almost twice as lopsided as people predicted. In other words, there is data which shows people disproportionately want more egalitarian allocations of wealth in the United States. This data does seem to present some support for Mettler, who argues that people want more social redistribution than occurs in the United States, but that entrenched invisibility within the policy process prevents people from understanding how unequal things are. Authors like Ariely present key data which suggests that people in the United States, when given better information, may in fact hold much more egalitarian values than the current welfare programs suggest.

Chapter 5: Analysis

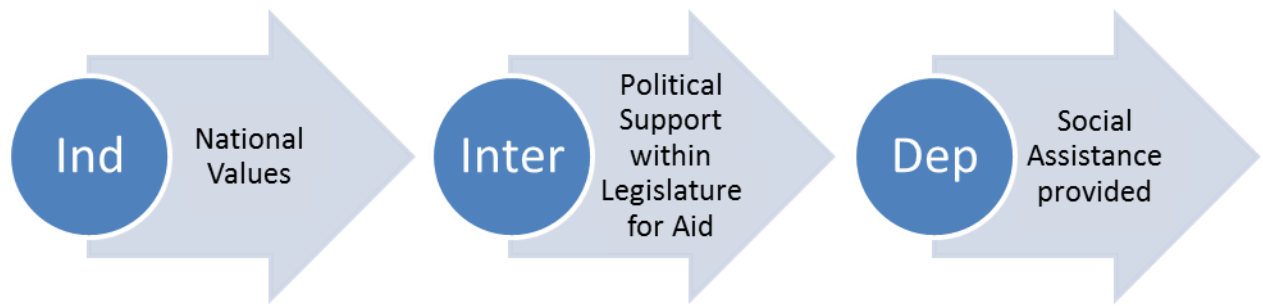
In examining the welfare systems of the United Kingdom and the United States, certain patterns of behavior and programs have appeared. However, the most important aspect of this study has shown empirically that youth unemployment is similarly dire among both the UK and the U.S. We have seen in the results sections above, that “in the UK, young people aged 16 to 24 accounts for about 40 percent of all unemployed, which means almost 1 million young adults are jobless... and in the US it's 21 percent” (“The World’s Unemployed Youth: Revolution in the Air?” 2011). Further still, the comparable relationship with growing youth unemployment as an economic and policy issue for both these states has given solid grounding to comparing the power of the models chosen to explain the policy actions in response to this significant issue.

Andersen

Andersen among many others including Cinalli and Giugni, authors of “New challenges for the Welfare State: The emergence of youth unemployment regimes in Europe,” have determined national values are the crucial point of reference for identifying different typologies of welfare states. Indeed, many theorists including Andersen have generally identified the United Kingdom and the United States as members of the liberal welfare state cluster. The characteristics of which are laid out clearly in Andersen’s “Three Worlds of welfare Capitalism,” where he describes such values to be a system “in which means tested assistance and modest social-insurance plans predominate” (Andersen 1990, 26). In particular, the idea of modest or minimal social transfers of wealth between classes is one

predominant idea which Andersen picks up on as he concludes that the liberal welfare state is a market-centric model of social redistributions of resources. This means, as is discussed above, that the liberal welfare state tends to be one that is far less intrusive and generously redistributive in its nature, and as such, in its legislation. In essence, there is an assumption that countries grouped into the market centric model will only allow for redistributions when the market fails to provide the minimal quality of life expected by society and the constructed values therein.

This means empirically that their welfare systems should be seen to have a particularly intimate relationship with market forces, and as such, we would expect its provisions of social insurance from the state to be limited. This classification further pairs these states as necessarily having similar behavior both in their national values, and as a result, similar benefits programs endorsed by the legislature to provide similar levels of assistance. Andersen asserts that this ontological understanding of spending priorities and desirable targets of social assistance will help anyone understand and predict how states will make decisions and legislate aid distribution. Here again we can look at his model as a reference point to understand the causal process: where he believes that all such variables ought to move in the same direction as a clear map to understand how and why different societies with different social values of welfare arrive at different systems of social assistance prescriptions.



United Kingdom Results

Specifically with regard to the classification of the United Kingdom as a generally more stingy and market centric “liberal” welfare state; Andersen explicitly predicts that the United Kingdom will express national values which devalues state intervention to anyone, with the exception of those who cannot participate in the market. There is definitely indications in the survey data used that these trends are present, specifically as we looked at sharp rises in perceptions that the current benefits system are “too high and discourage work.” However, it is apparent when looking at all the data available in chapter 3, that it is evident that these patterns have significant shifts towards greater and greater distaste for government redistribution as well as a negative image of the plight of the unemployed with a majority of people agreeing that “most unemployed people could find a job if they really wanted one” and “most of the people on the dole (slang for state benefits) are fiddling about in one way or another.” This basic shift to the right, and more conservative, is apparent both in the in the reversal of preferences with regard to increasing taxes in order to bolster social

spending as well as a major conservatism shift in the viewpoint of the Labour Party on the role of government in redistributing income. However, it is certainly worth noting that all these generally right shifted trends came about fairly abruptly in every study between 1995 and 1998, which leads me to conclude that something certainly happened in the mid 1990's which has played out in the form of anti-egalitarian values and a particular distrust of those collecting assistance from the state. Nevertheless, it is clear that when compared to other OECD countries, there is the sense that the UK has a generally stingier welfare system, and the evidence from the survey data collected is that the citizens support a shift towards becoming even stingier.

Moving on to the analysis of political support within the legislature, the pattern seems to be continuing. In particular the legislative discourse, as it was measured through the media's lens, has seemed to shift fairly significantly towards the conservative Tory platform, which ironically has become slightly more liberal over the past few decades, as we can see in the figure below, which mirrors one taken from the national values section in chapter 3. Furthermore, the dialogue seems to mirror, as Andersen would have predicted, the national values which are increasingly in favor of creating more formal restraints on welfare programs. This can be seen in both parties' platforms, but particularly in for Labour Party officials like Rachel Reeves who fear "Labour will be punished by voters if it is seen to be too focused on opposing cuts, particularly cuts to benefits" (Helm 2013). This is a definite shift in the policy dialogue which does at least appear to be moving parallel to those shifts in national values, and as such, carry some weight particularly in this time of crisis, which would in theory have given some legitimacy to the benefits programs which the populous and the elected officials seem increasingly opposed to. Below we see the chart of populous values

on social redistribution, found first in chapter 3, which when put next to the policy language found in chapter 3, offers powerful parallels between shifts in social values and those shifts in values found in the legislative discourse. Andersen would undoubtedly celebrate such parallels as proof of the power of his chosen variables.

% agreeing that government should redistribute income	1987	1995	2003	2007	2012	Change 1987-2012
Age						
18-34	50	43	38	30	41	-9
35-54	42	50	42	31	39	-4
55-64	43	46	46	34	43	0
65+	42	50	42	34	44	+2
Occupational class						
Professional/managerial	40	44	41	32	38	-1
Intermediate (white-collar)	37	42	40	31	40	+3
Independent	36	38	36	33	37	+1
Intermediate (blue-collar)	40	51	46	32	40	0
Working class	54	56	44	31	46	-8
Party affiliation						
Conservative	21	25	27	18	25	+4
Labour	69	60	52	38	53	-17
Liberal Democrat	54	49	44	41	54	0
All	45	47	42	32	41	-4

As for the dependent variable within Andersen's explanatory framework, the pattern gets a little bit murkier. For instance, looking at the spending data from the Department of Works and Pensions, which controls all of the social transfer programs affecting both the specific group of unemployment benefits, as well as the general population of welfare recipients, we see that spending has actually doubled in the last 15 years. That being said, the programs which make up the total expenditures targeted towards unemployment benefits across all age groups, has grown at a rate much slower than the total expenditures of all DWP programs. In fact, the total portion the DWP budget which is devoted to the Job Seekers'

Allowance²⁰ has dropped from .0355 percent of the total outlays to .0312 percent of the outlays, which is startling considering the massively increased amount of people on the JSA during the ongoing economic recession. Additionally, it is worth noting that there are government plans to consolidate many of these programs, which they have already begun doing in the form of the Universal Credit, in order to make clearer who is receiving what benefits as well as establish more stringent checks on recipients including benefits caps and more structured requirements like forced community service in order to remain on programs for extended periods of time.

United States results

As for the United States, working our way through the results of the Andersen framework, we can start by noting that there are some misconceptions regarding what spending is actually occurring. In particular, the ideas about what percentage of general welfare expenditures on all programs comes from the federal budget is significantly underestimated by a major portion of the population. While these misconceptions are not measures of national values, it does offer us some context for understanding why people may hold the positions they do. Specifically, a majority of people on average have agreed with statements which paint unemployment compensation programs as being too generous and are to be blamed for increased unemployment as well as the increasing length of time which people are unemployed. In general, there is a negative view of such benefits which is consistent with the writings of Fraser and Gordon on the increased perception of welfare dependency. It is important to note however, that in their “genealogy of dependency” in the

²⁰ The JSA is essentially the UK equivalent to Unemployment Insurance in the US context

U.S. welfare state, they blame political rhetoric and the media for these growing negative perceptions of benefit programs which would mean that the direction of influence would be the opposite of what Andersen predicts with political support influencing national values.

As for the political discourse in the United States, it too is not as clear as the UK in terms of the clearly demonstrating movement in any one direction. In fact, the political discourse is marked by clear polarization between the two major parties. President Obama leads the democratic platform, clearly supporting and generating initiatives to address not only unemployment, but also youth unemployment, The Republicans, on the other hand, have been blamed for blocking extensions to emergency unemployment compensation programs, both on the platform that the federal government cannot afford such expenditures as well as the ideological position that welfare benefits creates a system of dependence and entrenches negative behaviors of laziness in those who able to spend any length of time on assistance programs that are not directly linked to disabilities or life-cycle redistributions. Because of the disagreement and lack of clear political support one way or another, it is hard to make a clear judgment as to which direction the political support within the legislature is moving, however, authors like Pierson and Hacker who have been cited throughout this study, have made the conclusion that the political gridlock has, in fact, moved the political discourse much farther towards the conservative line because it is much easier to block policy change than it is to push forward either new initiatives or reforms for current policies. In this way, I feel confident in at least determining that the patterns of political support within the legislature in not overtly moving against those patterns of national values discussed above. As such, Andersen's model retains more strength in that there is not a contradicting pattern in his causal pathway.

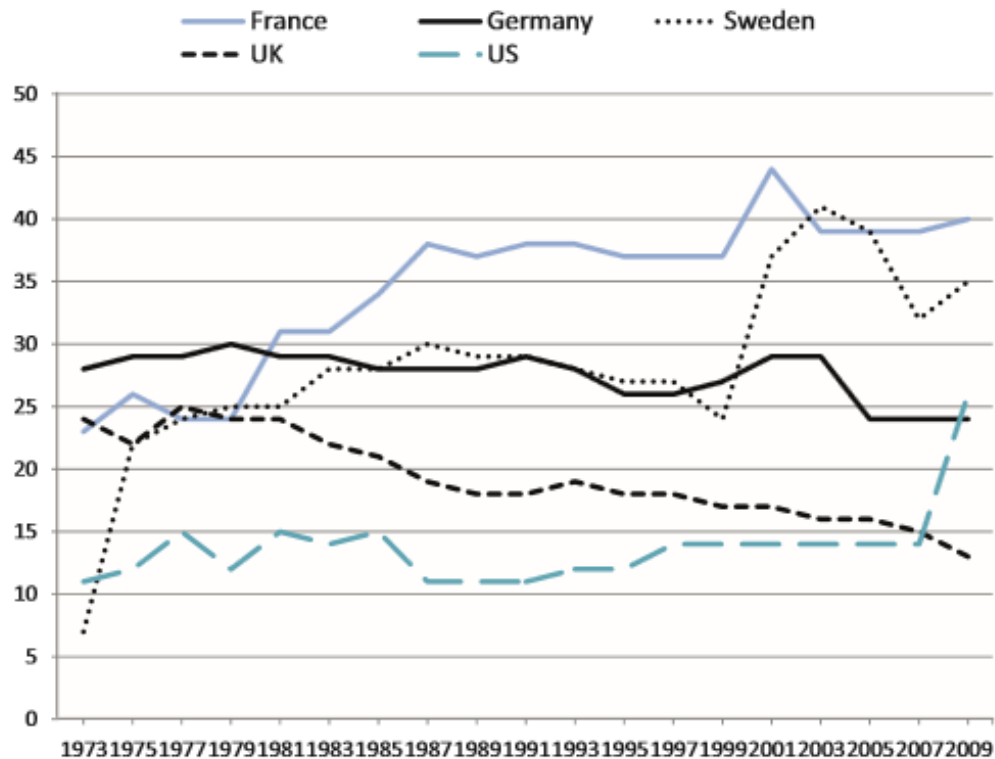
As for the dependent variable of the programs, which are actually enacted and supported, things appear to be a bit clearer. For one thing, we can see that there has been a massive increase in spending on unemployment compensation during the crisis, as well as eight separate extensions of benefits passed by congress since 2008 and only just ran out on December 31st 2013. In this way, we could make the judgment that the U.S. has been fairly responsive to the plight of the unemployed during this most recent recession despite whatever the national value survey data might tell us about the supposedly stingy U.S. society which might not support such a drastic upswing of expenditures. However, it is important to caution these findings by giving credit to the writings of Jonas Pontusson and Damien Raess, which note the effects of different administrations on different policy outcomes saying “there can be little doubt that the Obama administration pursued more expansionary policies in 2008-2010 than a Republican administration would have done” (Pontusson and Raess 2012, 28). Furthermore, we also know that an increasing number of unemployed people were not receiving any unemployed benefits at all because they were either in part time positions or simply gave up looking for a job and did not meet the strict search requirements required to continue collecting unemployment insurance. So in short, the raw data tells us that the generosity of the U.S. programs has gone up, against what Andersen would predict in his model, but under the surface it appears that there are some patterns and indications of stinginess which may yet save the explanatory power of Andersen’s chosen variables.

Points of comparison

In stepping back and looking at how the Andersen model works to help explain the behavior of the UK and U.S. welfare states there are several interesting similarities and some potentially key differences which highlight the strengths and weaknesses of this particular analytical framework. First of all, it can be said there is some strength in the simplicity of the model, which seems to do a somewhat good job in capturing the general patterns of welfare behavior over the past several decades, as seen in this comparative graph below, measuring the average generosity of unemployment compensation programs for five core OECD countries. The core take away however, which is highlighted somewhat in the dependent variable responses for both the UK and the U.S., is that these two countries had fairly radically different responses to the economic crises despite similarities in their national values. This is slightly problematic because at the very least it shows limits to the explanatory power of the Andersen Causal Chain in times of economic crises.

These inconsistencies can be seen when we compare the similarly anti-welfare spending survey results in the national values section. Then we see one political dialogue with essentially political consensus mirroring the consensus in the survey data of the UK with regard to anti-welfare spending. Whereas the U.S. political dialogue was anything but a consensus which shows a sharp contrast between the survey data collected and the political discourse ongoing. Finally the UK appeared to follow through with decreasing generosity in its welfare programs which is again shown below graph 1 below. On the other hand, we have the U.S. by all appearances breaking away and moving in the opposite direction predicted by Andersen's model and becoming notably more generous than expected during this most recent financial crisis.

Figure 24: Average generosity for age 40 man receiving Unemployment Compensation 1973-2009

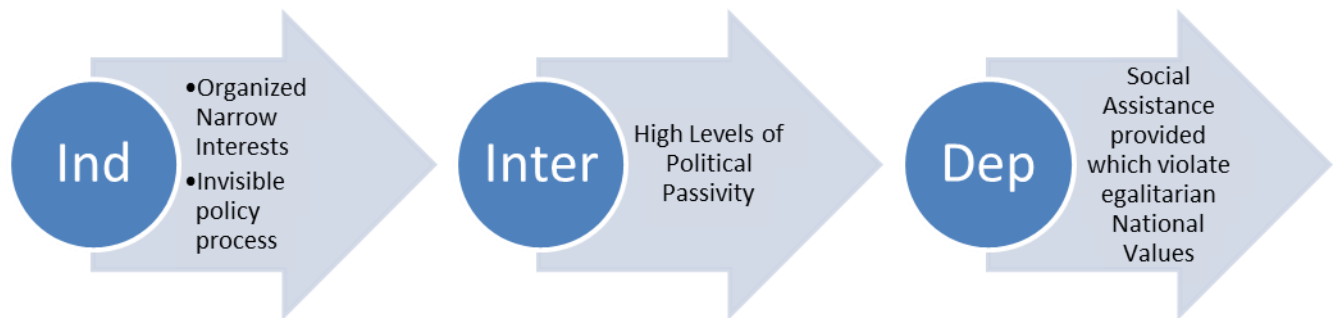


Source: (Pontusson and Raess 2012)

Mettler

For Suzanne Mettler, the Andersen model is far too simplistic and cannot isolate what she perceives to be the key factor in welfare behavior: visibility. For Mettler and authors such as Christopher Howard and Jacob Hacker, the crucial interests which shape policy outcomes cannot be explained, for better or worse, by the interests of the average voter. Instead, they believe that specific interests have greater ability to work out of sight within the policy decision making process to effect “invisible” but substantially important policy changes. By invisible policy process, Mettler only means that there are obstructions which prevent active

opinion making and open dissent by the populous for policy decisions which go against national values. In essence then, people don't have the proper information to form an accurate public consensus of national values because they aren't given the information which in turn also prevents them from openly opposing decisions which violate the normative general social values.

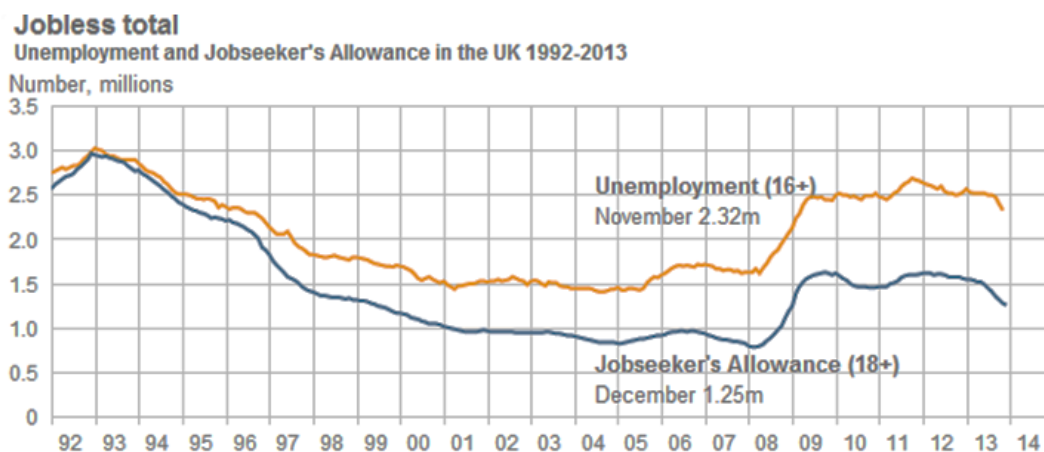


United Kingdom Results

In terms of the presence of what Mettler would categorize as “organized narrow interests” there is certainly evidence that the Confederation of Business Interests fits the bill. In particular, the writings of Kevin Farnsworth give credit to the conclusion that these interests have an impact on the decision making process and are indeed active participants in the legislative discourse. Furthermore, those business interests seem to mirror the political shifts in power as deindustrialization and globalization has destabilized the importance of unions, even in the Labour Party, which has also moved significantly to the right over the past few decades. Most importantly however, Mettler predicts that where such interests exist, there is a necessary goal of entrenching and defending those interests against potential

encroachment. As such, we would expect to see a controlled policy dialogue and what Mettler describes as an invisible policy process which, in theory, protects the organized narrow interests.

As for the presence of such an invisible policy process in the United Kingdom, it is certainly much more difficult to tell. Mettler herself relies on questions of policy experience as well as general inconsistencies between what the general public think is going on and what is actually going on, with the added expectation that the programs are either more generous than reality or have the inability to perceive where the benefits are going. In particular, evidence in the UK is that as programs which provide benefits to the unemployed consolidate and change under the Department of Works and Pensions has clouded perceptions of reliance on the JSA. Specifically, in the table below, we can see that the jobless population is diverging more and more rapidly from the group of unemployed who are actually collecting the JSA.



Source: (“Economy Tracker: Unemployment” 2014)

It is not clear what has occurred, but it is certainly clear that these policies are becoming harder to access even as opposition based on dependence is coming to a head in the media and political discourse. It is hard to say, however, if this is indicative of a truly “invisible policy process” as Mettler would describe it, because one of the key characteristics of her analysis rests on invisible policies which the general public don’t understand, and as such, are unable to resist the programs they do not like and support the programs they do like in the voting process. Because the programs in the United Kingdom are mostly cash benefits which are primarily publically generated and delivered with clear linkages to the federal government, it is my guess that Mettler would consider the UK to have a fairly visible welfare state. This makes sense if we consider the political consensus amongst the population, as well as within the political discourse, but sits in contradiction to her models’ suggestion that an invisible policy process is the key to understanding why organized interests are able to thrive in the policy making process.

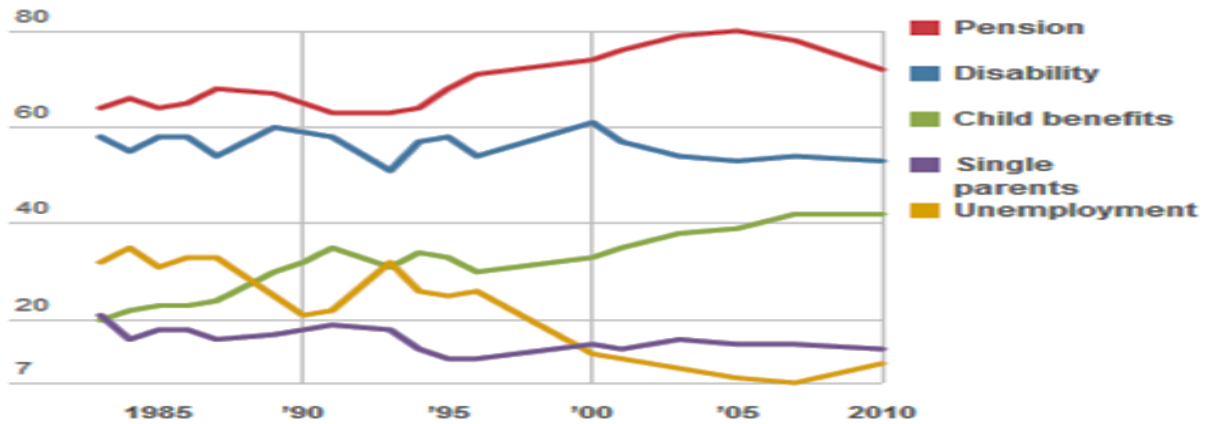
Moving to Mettler’s intervening variable of public passivity, further complications arise in the explanatory progression of Mettler’s model as it might apply to the UK case study. In particular, the idea that organized narrow interests do not perfectly match those interests held as national values of welfare spending is the key to understanding why she thinks that an invisible policy process is the key factor for preventing active and organized public protest. In the previous section we see that the UK arguably does not fit the conditions which Mettler might expect to see in terms of an invisible policy process, even as there is a significant presence of organized business advocate groups entrenched in the policy decision making process. In this more visible welfare state, Mettler would expect to see opposition to those interest groups and the policies which they may be helping to perpetuate at the expense of

citizens preferences. In the UK there is a clear and significant level of public dissent in the form of the UK Uncut organization, which is formally organized and active enough to garner fairly extensive media coverage as they fight against cuts and restrictions to unemployment benefits. However, the presence of this active organization does not seem to have any major impacts on public opinion, the political discourse or the benefits provided, which are measured and fairly consistent in the Andersen model discussed above.

Finally, Mettler focusses on what she considers to be the hidden national values and the idea that people, when given all the information needed to make accurate and informed decisions about supporting and opposing policies, possess more egalitarian values than are represented by general survey data because the invisible policy process obstructs actual opinion formation. In order to measure the gap between the values being projected in policy decisions, as well as the more egalitarian values she believes people genuinely hold but are being obstructed from the policy process. However, in the UK there is fairly significant data which suggest that the UK welfare state is pretty visible, there is a clear political consensus and people really do have negative views on unemployment compensation programs. In other words, Mettler would probably predict in a visible state, egalitarian values would prevail; however in the United Kingdom the case is clearly the opposite and her variables are moving in opposite directions, no matter the direction of the invisible policy process.

Spending preferences for benefits

Respondents asked where would you like to see extra money go?



Suzanne Mettler specifically designed and intended to utilize this model to explain United States policy behavior. It is therefore not surprising that there is a strong elite theory literature which emphasizes the role of business interests as a dominate force within the policy decision making process. Furthermore, the emphasis on business interests is supported by a similar focus on the rapid decline in labor interests as traditional union power has deteriorated from deindustrialization and globalization. In particular, the key interests groups in my study have exhibited all the classical trappings of having unequal access to the policy process in keeping with the general literature as well as Mettler's predictions.

These organized narrow interests being exercised, both in the form of significant financial resources, in the case of the Chamber of Commerce as the number one lobby firm in the political process, as well as face time with key political actors and decision making committees for organizations like the Business Roundtable which is made up of the most influential CEO's in the United States. Theorist like Pierson and Hacker agree with Mettler that these interests have a significant impact on the policy process which actively blocks competing public interests and legislation which does not conform to their policy goals. In

particular, this phenomenon is consistently captured in the United States by the maintenance of political gridlock and prevention of significant policy reform.

The “Invisible Policy Process” is the trademark of Mettler’s theory; as such it is not surprising again that there is a fair amount of evidence, both from her published studies as well as other literature, which suggests that the American people do not have clear conceptions of the realities of welfare programs. This is further in keeping with the idea that where organized narrow interests are strong, so too will the level of policy invisibility, which suggests that people do not have sufficient information to generate an accurate social consensus in keeping with general national values. This is in keeping with patterns of invisibility discussed both by Jacob Hacker as well as Christopher Howard; although both of these authors suggest that the invisible policy process works in the opposite direction of Mettler’s framework in that it provides additional benefits to the general public rather than less, which Howard believes would be preferred when given perfect information and policy consensus.

In particular, Mettler seems to do a good job of capturing some obstructive trends in survey data which demonstrates a particularly passive political voice without majority support or opposition for traditional welfare programs such as the EITC. This coincides with her predictions that greater information has a strong correlation with an increasingly egalitarian desire for programs which are effective in redistributing resources away from the rich and to the poor as seen in the findings below.

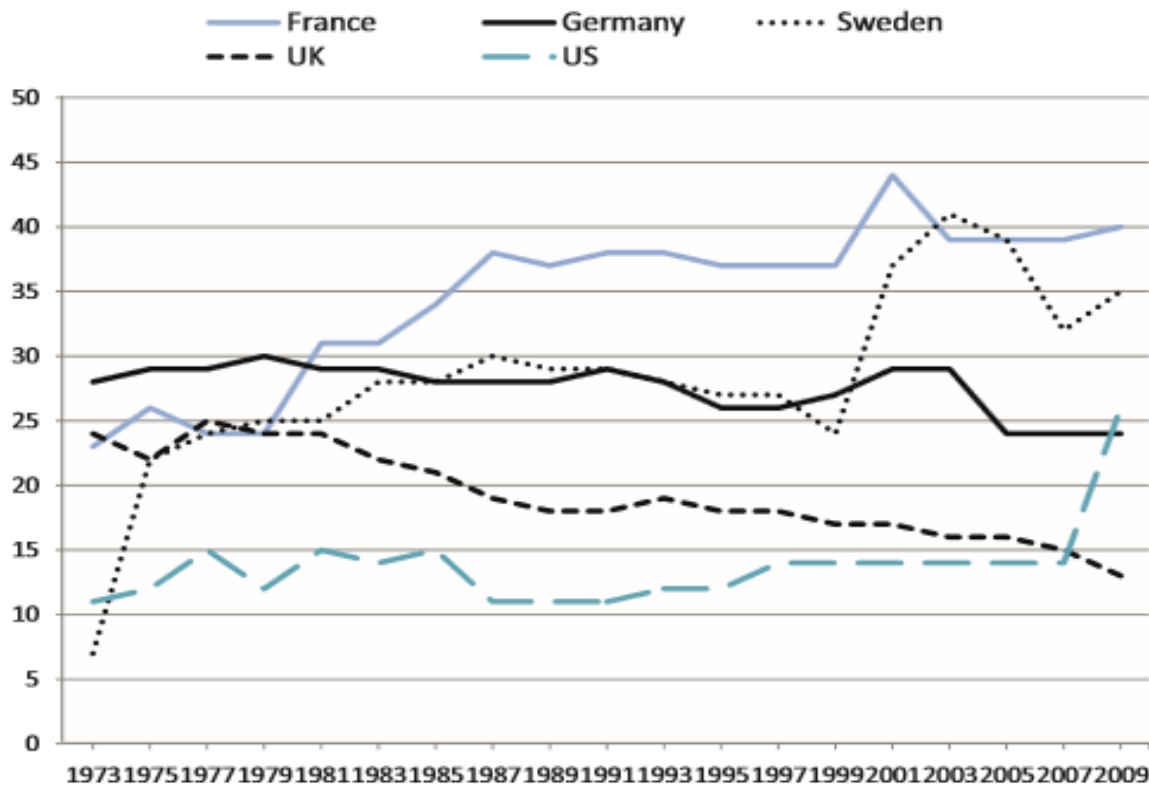
In regards to Mettler’s measure of public passivity, there is some evidence of active and organizing groups of public dissenters. Under most circumstances the presence of such interests groups would seem to contradict the flow of Mettler’s causal framework. However,

because there is little to no evidence that these grassroots organizations have little to no real impact on the policy decision making process, I believe Mettler would argue that her model retains strong explanatory power. For this reason, I am prepared to concede the presence of public passivity on account of the lack of effective public dissent, which could be seen to garner enough political or media recognition to have an impact on final policy decisions, let alone the policy discourse.

Concerning the final results within the dependent variable of Mettler's framework, which looks for gaps between the social assistance provided and the theoretically hidden existence of egalitarian national values, we find some surprisingly anomalous data. According to Mettler's process tracing, we would consider that there would be evidence of hidden egalitarian preferences imbedded within the invisible policy process. However, we would also expect the United States to ignore these hidden values and retain stingy policy patterns based on the power of the organized narrow interests of business elites and the obstructive nature of the invisible policy process, which in turn, produced public passivity. This is consistent with the evidence that people may have more egalitarian predispositions than the general political dialogue.

The United States has nevertheless reacted in the exact opposite pattern predicted by Mettler regarding the issues of youth unemployment and unemployment in general. In essence, there have been uncharacteristically egalitarian trends in social protection and redistribution in the form of significant extensions of programs and massive upshots in spending on unemployment compensations schemes. This can be seen below in the measurement of generosity of unemployment benefits for different OECD countries. Specifically, it is important to notice how the UK reacts predictably, and in keeping with the

stingy expectations, based on the prevailing models and data which starkly contrast the United States which goes from one of the stingiest countries to more generous than several countries including Germany; which is the opposite of the predictions made by Andersen and even Mettler.



Source:(Pontusson and Raess 2012, c-2)

In my opinion, there are two possible explanations for this reasonable sudden break in the U.S. behavior pattern. For starters, it is important to note that the data in all of Mettler’s variables do suggest the presence of an invisible policy process, which is dominated by organized narrow interests, and as such, it is unlikely to respond to egalitarian national values even if they could be uncovered and organized. Therefore the deviations we see in the dependent variable of social assistance provided and spending highlight gaps in the explanatory framework of the model. The first explanation for this is that there is a variable

missing, such as an account for the effects of political polarization in the policy process. In particular, I believe that political polarization may offer key insight in understanding the anomalous data because the dramatic increases in “generosity” occurred within the controlled political environment of total control of the Executive and Legislative branches of the government by the Democratic Party in 2008 and 2009. This explanation goes along with the predictions made by Jonas Pontusson and Damien Raess who note the effects of different administrations on different policy outcomes saying: “there can be little doubt that the Obama administration pursued more expansionary policies in 2008-2010 than a Republican administration would have done” (Pontusson and Raess 2012, 28).

Another possible explanation for the recent upshots in measured generosity within the U.S. welfare state is the idea that this was simply a precautionary stimulus attempt rather than a true shift in the ideological policy behavior of the United States. In this light, we can rationalize the sudden jump as nothing more than a preemptive attempt to avert or at least curb the effects of major economic recession amidst such speculation at the time of the housing market crash in 2007. This explanation of defensive stimulus may hold some significant weight when you consider the general agreement among economist that social handouts to the very poor or economically at risk individuals is one of the most effective ways to stimulate the economy because they are all but guaranteed to spend everything they are given. However, nobody can truly explain this empirical “generosity shift” in the U.S. welfare state without future data which may tell us if this was a short term spending strategy, a fluke of consolidated power in a highly polarized environment, or indeed if the U.S. is vocalizing more egalitarian values in welfare policy outcomes which Mettler believes have previously been obstructed.

All I know is that these anomalous results of sudden and apparently egalitarian spending present problems for Mettler’s formation of the U.S. welfare state because it is unclear, based on the direction of the other variables she has chosen to highlight in her framework, why such increases in spending have occurred.

Conclusions

Andersen Model results

Variables	United Kingdom predictions	United Kingdom results	United States predictions	United States results
<u>National Values*</u>	Hi	Hi	Hi	Hi
<u>Support within the Legislature....</u>	Hi	Hi	Hi	Low
<u>Spending.....</u>	Low	Low	Low	Hi

***based on Andersen’s formulation of typical Liberal welfare state values**

Mettler Model results

Variables	United Kingdom Predictions	United Kingdom results	United States predictions	United States results
<u>Organized Narrow Interests.....</u>	Low	Hi	Hi	Hi
<u>Invisible Policy Process.....</u>	Low	Mid	Hi	Hi
<u>Public Passivity....</u>	Hi	Low	Hi	Hi
<u>Egalitarian values Pursued.....</u>	Hi	Low	Low	Hi

In sum, the Andersen Model appears to do a fairly good job of capturing general trends in policy behavior within the UK welfare state, but not nearly as good in explaining the patterns in the U.S. welfare state. The Mettler Model, being specifically designed to

address what she perceives as the more complicated U.S. welfare behavior pattern, naturally does a somewhat better job of isolating variables that probably do play a significant role in U.S. policy generation, such as the role of organized narrow interests. However, it must be said that there are problems with the clarity of how those variables relate to one another in a linear or explanatory way. Furthermore, neither model has the capacity to explain the American spending reaction in both models' dependent variables. These holes in the model may come in part from limited data availability in terms of better survey questions or more in depth spending data mirrored across both cases. However, these holes also certainly shine a light on avenues open to further study and examination to make these models better at explaining the data found in this study.

For instance, there does seem to be a lack of focus on the role of political polarization and the impact it may have on policy outcomes. This is important because the level of political polarization was one of the starkest differences I found in my research, between the two cases. Furthermore, it would seem that the role of almost pure polarization in the United States, with the so called Democratic regime of 2008-2010, followed by years of continued control by both the presidency and the U.S. Senate still going on today, has had some impact on the rapid extensions to unemployment compensation schemes in the United States. In contrast, the UK acted very predictably according to the Andersen model with very little political polarization. In fact, it appears that the whole political culture has shifted to be more fiscally conservative and market oriented. I assert that it would be worth digging deeper into this shift, particularly on the part of the Labour Party which appears to have had a major ideological shift among its voter support base which is being clearly represented in their policy platform outlined in chapter 3.

Another consideration for future analysis in this area would be determining whether Suzanne Mettler's work can be made more broadly applicable as a framework for understanding the policy behavior of countries other than the United States. As we saw in the results of this study, the Mettler model did a much better job of capturing trends in the United States than it did when applied to the United Kingdom. However, it is important to understand whether this was a result of Mettler's singularly focused attention to the study of the American welfare state, or is it because the United States is uniquely complex, and as such, not comparable or generalizable to other western welfare states. Does the federalism structure which U.S. welfare programs operate imbue the U.S. with more levels of invisibility not faced by other welfare states? I believe these are important questions for future research.

What is clear in light of this research is that the UK welfare state does seem to be more visible with some clear patterns to be explained and does seem to be moving towards greater stinginess, of fiscal conservatism, as Andersen would predict. With the U.S., on the other hand, it is much more difficult to capture the relationships of many of the variables which means either we are missing some key variables all together or we did not have the best information by which to judge the patterns found. In terms of further academic pursuits on the subject of youth unemployment, it is clear at least that the impacts of youth unemployment, and how states are going to respond to these new challenges, are highly contested and unclear. In this regard, future endeavors to study this new policy area and future policy phenomenon would do well to study different ways that this group may achieve greater policy pressure because the standard used in this study of mere presence of public

pressure groups does not seem to be enough to understand why states will react more or less generously to their needs.

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