

## Social Security

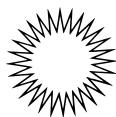
STUDIES IN GOVERNMENT  
AND PUBLIC POLICY

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**SOCIAL  
SECURITY**

History and  
Politics from the  
New Deal to  
the Privatization  
Debate

**Daniel Béland**



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## PREFACE

More than seventy years after President Franklin Delano Roosevelt pushed for the enactment of a federal old age insurance program, the future of Social Security has become a major source of concern for citizens and politicians alike. Yet, during the first mandate of President George W. Bush, the so-called “war on terror” and the debate over access to prescription drugs for Medicare recipients overshadowed this major issue. However, the last weeks of the 2004 presidential campaign witnessed a significant comeback of Social Security reform on the federal political scene. During the third presidential debate, President Bush reaffirmed the idea that a portion of the payroll tax should be channeled into personal savings accounts. Democratic candidate John Kerry opposed this idea, arguing that it would put the future of Social Security at risk. After his reelection, President Bush launched a campaign in favor of Social Security privatization. There is a strong ideological commitment in the White House regarding this issue, and partial privatization could have helped President Bush build a meaningful legacy in domestic policy. Unfortunately for the president, the institutional and political obstacles to comprehensive reform remained formidable, and Social Security is still known as the “third rail of American politics.” In such a context, President Bush’s campaign went nowhere. But this outcome did not eliminate the widely shared concerns about the future of Social Security.

I wrote this book in order to shed light on the past, present, and future of Social Security reform. In that regard, I believe that knowledge of the international and comparative literature on social policy is crucial to understanding what is at stake in the current Social Security debate. Such a new comparative insight should help the reader better understand what is specific about the politics of Social Security in the United States. I also think that history is another useful way to put the current debate over Social Security reform in perspective. Social Security is the product of more than six decades of history, and knowledge about how this program has changed over time as a political issue

could help citizens and scholars to make sense of the apparently technical discussions about Social Security retrenchment and restructuring.

I also decided to write this book to contribute to broader theoretical debates about policymaking and welfare state development. The starting point of my reflection on social policy is historical institutionalism, an approach I discovered when I was a graduate student. Although I have long embraced this approach, I believe that the study of ideas should supplement the traditional analysis of political institutions and policy legacies. The approach sketched in Chapter 1 of this book could prove useful to the analysis of Social Security politics and, more generally, of policymaking and welfare state development, in the United States and abroad.

Another crucial debate I tackle in this book is the one on the influence of race and gender on American social policy. I feel that these two factors must become permanent elements of the mainstream literature on social policy analysis in the United States. Yet the assumption that race and gender matter should not lead to the idea that these two factors always exert a direct political influence across policy areas. Major variations exist from one program to another, and this book underlines what is specific about the political relationship among gender, race, and Social Security history. Although I show that there is no direct evidence that race strongly impacted the development of Social Security, I also acknowledge the direct influence of race in other policy areas and in American politics at large. Finally, I show how gender, as opposed to race, had a traceable impact on Social Security development in the United States.

This book is written in such a way that both academics and informed readers should get something from it. Academics will find a critical discussion of the existing literature on American social policy as well as theoretical insights about welfare state development and the role of ideas and institutions in policymaking. Informed readers will find a concise exploration of the manner in which the politics of Social Security evolved over time. This exploration is not overly technical, and I have tried to avoid jargon as much as possible. Furthermore, the book presents the history of the program in a chronological way. Too many social science books are difficult to read because the exposition of the empirical material reflects abstract theoretical considerations that ob-



scure the story being told. I hope that I avoided this pitfall and that the readers will find the integration of the theoretical and the historical aspects of the book compelling. I wrote this book with a broad audience in mind.

I conducted a significant portion of the research for this book in the context of a Ph.D. dissertation, which was later published in France as *Une sécurité libérale?* in 2001. Instead of translating that work into English, I decided to write a new book that would address broader theoretical and historical issues. Because I worked on this project for almost a decade, many people helped me along the road. First, I would like to thank the original members of my Ph.D. committee: Robert Castel, Anne-Marie-Guillemard, John Myles, Pierre Rosanvallon (chair), and Bruno Théret. I owe a special debt to John Myles, who encouraged me to write this book in the first place. John is a model for young scholars who seek serious academic work while keeping their minds open.

I am also greatly indebted to Edward Berkowitz and Jill Quadagno. As reviewers for the University Press of Kansas, they provided insightful comments on my manuscript. Thank you to Larry DeWitt, chief historian of the Social Security Administration, who took the time to provide detailed comments on the first draft of the book. DeWitt also gave me a copy of his unpublished paper on race and Social Security, which I found very stimulating. I would also like to thank my editor, Fred Woodward, and the wonderful team at the University Press of Kansas. Fred is an experienced editor, and I benefited from his advice when preparing the final draft of this work.

Other people helped me along the road. Among them, David Moss, who provided comments on one of the chapters; Jacob Hacker, who helped me clarify many of the theoretical issues; Stephen Skowronek, who introduced me to historical institutionalism; and Kent Weaver, who knows so much about pension reform and who helped me as much as he could despite his busy life. Along the way, I was also helped by the following scholars: Andrew Achenbaum, Lucy apRoberts, Karen Anderson, Robert Ball, Brian Balogh, Fred Block, Sarah Brooks, Herb Emery, Christoffer Green-Pedersen, Peter Hall, Estelle James, Steve Kay, Eric Laursen, André Lecours, Patrik Marier, Casey Mulligan, Andrew Rich, Ronen Shapira, Toshimitsu Shinkawa, Theda Skocpol, Steve Teles, Larry Thompson, François Vergniolle de Chantal, Alex Waddan, Bill Wilson,

and John Williamson. At the University of Calgary, my colleagues—especially Art Frank, Tom Langford, and Bob Stebbins—provided advice and encouragement.

Many institutions supported this project over the years. First, the Social Sciences and Humanities Research Council of Canada, the Canada-U.S. Fulbright Program, and the Social Sciences Division of the University of Chicago provided financial support for the initial research stage of my dissertation. Second, I had the privilege of holding visiting appointments at the following institutions: Harvard University (Malcolm Wiener Center for Social Policy, Kennedy School of Government), University of Chicago (Social Sciences Division), George Washington University (History Department), and the National Academy of Social Insurance. Finally, the University of Calgary provided me with a stable academic position and a timely sabbatical leave in the fall of 2004. I am grateful to these institutions and the people who make them great.

My wife, Angela, read every single sentence of this book more than once, and her advice proved extremely useful. More important, she provided the moral and emotional support I needed, in good and bad times. Although my parents never attended college, they have always respected my choice to become an academic. Thank you so much to them and to the rest of my family!

### **Note on the Paperback Edition**

For this paperback edition, I edited the book from cover to cover, adding a few new references and editing or inserting sentences when necessary. Although this is not a “revised edition” in the strict sense of the term, I enacted significant editorial changes in order to increase the book’s coherence and the readability. In Chapter 6, I updated some of the information about President Bush’s 2005 Social Security campaign, which is further discussed in the new afterword.

Calgary, Canada

## ACRONYMS

AALL	American Association for Labor Legislation
AAOAS	American Association for Old-Age Security
AARP	American Association of Retired Persons
AB	Aid to the Blind
ADC	Aid to Dependent Children
AFDC	Aid to Families with Dependent Children
AFGE	American Federation of Government Employees
AFL	American Federation of Labor
AMA	American Medical Association
APTD	Aid to the Permanently and Totally Disabled
CES	Committee on Economic Security
CIO	Congress of Industrial Organizations
COLA	Cost of Living Adjustment
CWM	[House] Committee on Ways and Means
EPIC	End Poverty in California
ERISA	Employee Retirement Income Security Act
FC	[Senate] Finance Committee
GDP	gross domestic product
IRA	Individual Retirement Account
NAACP	National Association for the Advancement of Colored People
NCSC	National Council of Senior Citizens
NDC	notional defined contribution
NFFE	National Federation of Federal Employees
NFIB	National Federation of Independent Business
NRPB	National Resources Planning Board
OAA	Old-Age Assistance
OASDI	Old Age Survivor and Disability Insurance
OASI	Old Age and Survivor Insurance
OBRA	Omnibus Budget Reconciliation Act
PAYGO	pay-as-you-go
PBGC	Pension Benefit Guaranty Corporation

SSA	Social Security Administration
SSB	Social Security Board
SSI	Supplemental Security Income
UAW	United Automobile Workers
UMW	United Mine Workers