

## CHAPTER ONE

### Chapter

#### Introduction

In November 2016, Barack Obama was largely expected to "turn over the keys" to Hillary Clinton.

Clinton, the continuity candidate, had run on "a shared prosperity" agenda and promised to "build on the Affordable Care Act to cover more Americans" and finish "the long fight to provide universal, quality, affordable health care to everyone in America". Clinton also had a plan for helping America's poor that included "directing 10 percent of federal investments to communities where 20 percent of the population has been living below the poverty line for 30 years." (Clinton 2016). However, Clinton was mostly silent about "welfare."

Welfare has two meanings in America: it can refer to Temporary Assistance for Needy Families (TANF), a cash assistance program for single-parent families; or it can refer to other means-tested programs such as housing assistance, health care (Medicaid), nutrition aid, food stamps, i.e. the Supplementary Nutrition Assistance Program (SNAP), and social assistance

for people with disabilities, Social Security Income (SSI). In the strictest sense of the term, welfare is TANF, a program that served 4.1 million individuals in 2013, three million of which were children. But welfare is a pejorative term. Its association with lazy recipients receiving taxpayer money without giving anything in return - the "welfare queen" derided by Ronald Reagan in the late 1970s and 1980s - is deeply ingrained in the American collective psyche (Gustafson 2011). That's why Democrats stay away from welfare: it's politically toxic, even though there's not much cash assistance left for single parent families in America (less than one million adults are TANF recipients today).

President Trump, apparently unaware that financial aid has been reduced to next to nothing, has promised to get "millions" off welfare and back to work in the address to Congress he gave in February 2017. If, by welfare, Trump means food stamps, then it's a considerably larger population than TANF: about 43 million Americans received food stamps in 2016 (USDA 2017) although caseloads have been steadily declining since 2013.

There are not many politicians willing to take up the mantle of the fight against poverty today. There was a sense that Obama himself was, if not silent, reticent to talk about it. His former top economic adviser, Jason Furman, explains: "I think it would be fair to say that President Obama did more for the war on poverty than he talked about. He would talk about tax credits for children almost in a middle-class context. But if you look at the actual policy the dollars were going to very low-income households ... He did

talk about poverty. I'm not saying he didn't. But he did more than he said he did, which is better than the opposite."

In a Georgetown University summit in 2015, the former president argued that antipoverty programs did work, and that what was needed were much bigger investments in public schools, public universities and early childhood education. By saying that social policy was effective at reducing poverty, Obama directly contradicted Ronald Reagan, who famously stated in a 1988 State of Union address "Some years ago, the Federal Government declared war on poverty, and poverty won." Ever the scholar, Obama identified three main reasons for lack of progress or even regression on poverty and inequality:

- the persistent stigmatization of poor people in American popular culture;
- the cuts in vital public government programs that played a key role in redistributing life chances for poor children, the focus of his remarks, much more so than poverty among adults;
- and the advent of class segregation, by which he meant that poor and rich people were leading increasingly separate lives.

Obama said: "I mean, there's some communities where I don't know - not only do I not know poor people, I don't even know people who have trouble paying the bills at the end of the month. I just don't know those people.

And so there's a lesser sense of investment in those children." (Obama 2015a).

Of course, from Obama's perspective these three factors were mutually reinforcing. He singled out ideological and partisan opposition to invest more in public programs, then cited this as one of the main reasons for rising income inequality and declining social mobility in the United States. The question is, did the Obama administration address the challenges that the president himself had identified? Could the administration have done more for the poor? And why does it matter?

Assessing the Obama administration record on welfare policy is important. It helps us understand the nature of America's social contract in the 21st century. Obama projected an idealized version of America's promise of economic opportunity through hard work, of a sense of belonging transcending racial and class divisions, and of social solidarity enhanced by enlightened government intervention. In Obama's narrative, America's promise had been broken by a "winner take all" society and a "devil may care" attitude among economic and political elites, who ended up guarding their privileges in the name of small government.

The search for a more perfect Union resumed after years of social regression, when low-income workers had to work more for less. For Obama and the Democrats, welfare cheats were the "straw men" that Fox News kept interviewing to discredit social programs. This was a calculated attempt to

redirect legitimate anger at rising inequality and shift it to those at the bottom of the income ladder. Obama did not re-launch the War on Poverty. He left welfare alone but spoke eloquently of economic opportunity for all. The problem was not so much poverty per se, but that people were stuck and could no longer aspire to a better life for their children and grandchildren. In October 2016, Obama wrote: "In fact, we've often accepted more inequality than many other nations because we are convinced that with hard work, we can improve our own station and watch our children do even better. As Abraham Lincoln said, 'while we do not propose any war upon capital, we do wish to allow the humblest man an equal chance to get rich with everybody else.' That's the problem with increased inequality - it diminishes upward mobility." (Obama 2016).

Jared Bernstein, Joe Biden's economic adviser between 2009 and 2011, explained: "I think that whilst nobody was pushing for equality of outcomes, we understood that inequality did create barriers to opportunity. We don't live in a meritocracy. Obama knew this very well from his own life experiences. We realize that there are a lot of people who face barriers to upward mobility. Educational barriers, unaccommodating neighborhoods, the schools aren't good enough, the jobs for parents aren't good enough, the criminal justice system is inequitable. We recognized a lot of barriers to opportunity and our job was to bring those down the best we could."

And then the Obama administration was faced with the 2008/2009 economic downturn - the biggest economic crisis since the Great Depression.

The financial crisis wiped out trillions of dollars in wealth – and it destroyed jobs and fragile communities. It hit low skilled workers exceptionally hard, disproportionately affecting black and Latino workers, who already had higher unemployment rates than whites prior to the recession. There were 37 million poor people in 2007 (compared to 30 million in 2000), and the numbers rose to 46 million in 2010 (Clark 2014). Not only did the national poverty rate rise by 3.2 percentage points between 2000 and 2010, there was also a steep increase in concentrated poverty. Kneebone and Holmes (2016) write that "Between 2005-09 and 2010-14, the share of poor residents living in distressed neighborhoods climbed by 4.7 percentage points for Hispanics and 3.9 percentage points for blacks, compared to a much more modest increase of 1.4 percentage points for whites. By 2010-14, Hispanics were more than three times as likely as whites to live in extremely poor neighborhoods, and blacks were almost five times as likely as whites to live in such neighborhoods.

Even as poverty rates started to finally decline, the sense of division persisted, accentuated by the surprise victory of Donald Trump in November 2016. Trump was the anti-Obama as much as he was the anti-Clinton candidate. Just as Obama had been the salesman of a more perfect union that would conquer its divisions, at times glossing over the gaping inequalities and deep poverty that had continued to plague America, Trump presented a dark vision of "carnage" and human loss in America's former industrial heartlands. Trump was the messenger of those who wanted to close down the frontiers of the American welfare state, suddenly presented as overly

generous to newcomers and unfairly rewarding immigrants at the expense of "native workers." Trump emphasized that he was talking on behalf of Hispanic and black workers and not just the white working class. The enemy of the American safety net was no longer Ronald Reagan's "welfare queen", the archetypal African-American unwed mother; it was the illegal immigrant.

In truth, since 1996, "qualified immigrants", as the law calls them, must wait five years before being eligible for federal assistance benefits.

Undocumented immigrants cannot receive health care except in cases of medical emergency. So, what Marchevsky and Theohari (2000) have referred to as the "radicalization of entitlement", is not new. But, in the age of the "diversity explosion" (Frey 2015), when most children will soon be racial minorities, Donald Trump has reactivated a strand of "welfare nativism" that sees post 1965 immigration - Asians, Latinos, Africans - as an existential threat to the American, essentially white, identity.

For anyone who cared to look, these tensions had been festering for a long time, but they took a radical turn with the advent of the Tea Party movement, which was propelled by a reactionary backlash against Obama policies and politics. Trump has embraced the anti-intellectualist and populist spirit of the Tea Party, with a strong anti-expert bias. Moreover, key members of the Trump administration, such as Vice President Mike Pence and Secretary of State for Health and Human Services Tom Price, have been closely associated with the Tea Party. But, as the Trump administration and congressional Republicans are starting to understand, rolling back the

frontiers of the welfare state is a perilous exercise. There is still a world of difference between policies that can be tried and tested in states' "laboratories of democracy" and plausible congressional programs subjected to intense committee and media scrutiny. Conservative Republicans, safe in the knowledge that their radical retrenchment measures would be vetoed by a Democrat president, and not interested in the business of making "government" work, are bereft of the compromise-oriented technocratic expertise that characterized the Obama administration policies, both in style and substance.

This book tells the story of the Obama administration's action and inactions on antipoverty policies. It's a story of slow progress and incremental change through "institutional layering" and "conversion" (Thelen 2003) when policymakers build upon existing programs instead of developing new policy frameworks.

In a nutshell, the Obama administration tried to expand the frontiers of the American welfare state. The objective of social reform - the Recovery Act in 2009 and the Affordable Care Act in 2010 - was to broaden the scope and coverage of public assistance: means-tested benefits received a generous boost while the administration encouraged states to expand program outreach. For the Recovery Act, the goal was to increase participation rates for all eligible individuals, with a particular emphasis on unemployment insurance and food stamp recipients. Benefit take up became a priority; states were encouraged to explore all possible options to enroll more needy families.



In this respect, what happened in 2009 and 2010 was the exact opposite of welfare reform in 1997/1998, when states actively discouraged needy families to ask for cash assistance.

In a typical layering effort, Congress expanded access to health care coverage to working age adults, who had been previously excluded from health insurance: this was the purpose of the Affordable Care Act. Low to middle income individuals benefited the most from these reforms, together with young people and ethnic minorities. Although there was a strong class dimension to both the Affordable Care and the Recovery Acts, the fight against economic and social injustice was diluted or blended alongside other dimensions, such as gender, sexual orientation, disability, or ethnicity. The issue of competition for scarce resources - jobs, services and benefits - became once again a hot button issue in the 2016 presidential campaign. The "rainbow, young and brown coalition" seemed to receive more attention than the traditional, mostly white, blue-collar class.

At times it looked as if the Obama administration, and even more so the Clinton campaign, saw the white working class as a vestige of times past. As individuals who had to be retrained if they could, regardless of whether or not they wanted to adapt to technological change and the globalized economy. In his article for *The Economist*, "The way ahead" (Obama 2016) the former president, reflecting on the fear of change that dominated the presidential campaign, wrote: "So, we have a choice - retreat into old, closed-off economies or press forward, acknowledging the inequality that can come

with globalization, while committing ourselves to making the global economy work better for all people, not just those at the top."

Globalization and technological change were unavoidable and had to be embraced; there was no retreat into an idealized past. In Obama's vision, the role of his successor - Hillary Clinton - was to build upon the progress that had been made and restore the faded American dream of upward social mobility through hard work.

The problem is that whilst Silicon Valley was celebrated as the engine of innovation and growth under the Obama presidency, the economic and cultural decline of blue-collar workers captured by Bruce Springsteen's songs grew much worse. As Robert Paxton (2017) has observed, Trump based his campaign on the angst of the white working class. Deep America felt increasingly left behind and even despised in the 21st century globalized economy. There was also a generational and cultural dimension to this social resentment, due in no small part to a huge demographic transformation. Indeed, the United States is in the midst of a pivotal shift, as new minorities – the products of recent immigration waves – contributed to more than three quarters of the nation's population in the last decade. Baby boomers grew up in a relatively low immigration country, where the white working class was at the core of the nation's identity. This world is disappearing fast; today "there's a growing distance between a globalized, minority youth and an older population who does not feel a personal connection with young adults and children who are not 'their' children and grandchildren." (Frey 2015:7).

Obama incarnated this new multiracial and multicultural America; the President built upon the support of black and Latino voters both in 2008 and 2012. As the Republican base grew whiter and older, it also became more conservative, often animated by a "racism without racists" attitude (Clayton and Welch 2016). These voters think that there is no need for affirmative action, civil rights enforcement and big government policies. That's why the Republican Party is structurally and reflexively opposed to any expansion of health and education programs. The Republican base does not like these programs because they tend to benefit "others". They believe they will be worse off and condemned to social and cultural extinction if the frontiers of the welfare state are allowed to expand and become more racially inclusive. The election of Donald Trump represents the continuation of a Jacksonian<sup>3</sup> revolt. This rebellion started almost as soon as Obama was sworn in office, when the Tea Party movement organized several rallies to protest against the administration's economic and social policies.

Robert Paxton, a historian and expert on fascism compares the systematic opposition against Obama policies to the backlash faced by first Socialist and Jewish Prime Minister of France Leon Blum, leader of the left wing Popular Front coalition in 1936. Blum led negotiations that secured collective bargaining, government control over the Bank of France, a 40-hour workweek and two weeks of annual paid vacation. For Paxton, "Barack Obama was in some ways an American Leon Blum, elected in euphoria then blocked by an inflexible national opposition." (Paxton 2017). Paxton's insightful

comparison reminds us that there was indeed a faction of the electorate that never accepted the election of the first black president as legitimate. This severely limited the capacity of the Obama administration to set in motion comprehensive social policies that would expand the frontiers of the American welfare state. But the obstacles faced by Obama were essentially institutional in nature, and have been reinforced by the pattern of asymmetric ideological polarization that characterizes American politics and society today.

The first institutional constraint was the nature of the American federal system, which is qualitatively different from the traditional European norm of a unitary state (Beland, Vergniolle de Chantal and Raillard 2014). The doctrine of dual sovereignty between the states and the federal government has had a long-lasting impact. In essence, the legitimacy of federal government intervention has always been contested terrain. Public bureaucracies developed relatively late, with the advent of the New Deal, but the United States never had the functional equivalent of European civil services (Skocpol 1996). The fragmentation of policy making is especially acute in welfare policy, where not only states share regulatory powers with the federal government, but in fact, have been allowed to supersede congressional statutes. In the 1990s, a devolution agenda granted more powers to the states, especially as federal bureaucracies were gradually hollowed out. This trend continued under the presidency of Obama. Several federal law opt-outs have developed in the forms of waivers, where states can bypass federal statutes to design and run their own programs (Bulman-Pozen and Metzger 2016). This has resulted in variable-speed federalism, with a strong pattern of

state diversity (Conlan and Posner 2016). Moreover, "a la carte federalism" creates "geographic inequalities in the treatment of similar claimants and exacerbates the weakness of the safety net as a whole" (Bruch, Meyers and Gornick 2016:17).

This was particularly clear with the Recovery Act and even more so with the Affordable Care Act. Federal government officials had to rely on an array of state administrators and private contractors to implement important aspects of the legislation, raising issues of accountability, visibility, coordination and efficacy. The literature on policy feedbacks indicates that that new policies generate, over time, public support from various constituencies that enjoy additional benefits, such as expanded health coverage. New entitlements become entrenched and institutionalized. However, when the public cannot identify who is doing what and for whom, popular support for new programs fails to take hold. This is exactly what happened with the ACA: public support was muted because so many people were utterly confused about how the legislation affected them and their health care plans.

The second structural constraint is the doctrine of limited government, particularly in economic and social domains. Americans are often skeptical and critical of federal government intervention in general, but nevertheless like programs such as Medicare and Social Security. Whatever the reasons, cultural or otherwise, for this ambivalence towards "the government", it's at the heart of the deep political conflicts that have played out during the Obama

era. The rejection of welfare remains extremely strong as a result of its association with a lack of work ethic and self-reliance that have been portrayed as cardinal American virtues. Because the U.S. Constitution essentially protects citizens from excessive government intervention, and because property rights have been granted traditionally strong legal status, advocates of socio-economic rights tend to be marginalized in political debates.

Small government supporters therefore, routinely decry a bigger safety net as un-American and unconstitutional. The constitutional bias against social entitlements represented a real constraint for the Obama administration. Moreover, the U.S. Supreme Court has enforced structural limits on federal power, enabling states to challenge federal encroachment of state prerogatives. With a few exceptions, the Roberts Court has continued to issue an "originalist right-of center jurisprudence" in alignment with conservative states' endorsement of small government (Somin 2016:443).

The third obstacle to comprehensive social reform has precisely been the strength of the ideological opposition to any expansion or even, in some cases, maintenance, of existing public government programs. This is related to a pattern of asymmetric partisan polarization: essentially, since the 1990s, when Newt Gingrich became House Speaker, the Republican Party has shifted much more to the right than the Democratic Party. This evolution was accentuated by the rise through House Republican leadership ranks of fiscal hawks like Eric Cantor, Paul Ryan and Kevin McCarthy. All three wanted to

"decrease the size of government to pre-1960s Great Society levels by any means necessary" (Mann and Ornstein 2016: 10). In an updated version of their 2012 book 'It's Even Worse Than It Looks, How the American Political System Collided with The New Politics of Extremism' (with the word "looks" replaced by "Was" in the 2016 edition), Mann and Ornstein explain how the Republican Party has become engaged in obstructing routine government functions, and how structures of separate institutions sharing power have resulted in congressional gridlock and obstruction in an era of hyper-partisan polarization. In particular, the Madisonian system of shared powers and checks and balances requires that politicians negotiate in good faith, in the spirit of compromise and bipartisan consensus (Mann and Ornstein 2016: XV). The problem is that the notion of compromise has become an empty slogan as each side accuses the other of being unwilling to make concessions.

Fourth, the relentless opposition to "big government", an expression that is as pejorative as "welfare" in the American political discourse, is not simply due to asymmetric partisan polarization, with Republicans living in bold red districts and Democrats concentrated in blue urban bubbles (although there is some truth to this assertion). The American public tends to hate government but at the same time likes government programs such as Social Security and Medicare. As a result, Republicans campaign in the abstract against the government, while Democrats campaign on the positives of specific government programs. What's happened since the 1970s is that a large faction of Republican elites has promoted a deregulatory, anti-tax,

union-busting and anti-government agenda (Mayer 2016, Skocpol and Hertel-Fernandez 2016). Corporate money has flooded to conservative think tanks (Cato, American Enterprise Institute, Heritage Foundation are the most influential and well-known groups in Washington). Heritage for Action, Heritage Foundation's sister organization, was founded to repeal the Affordable Care Act, among other conservative goals. Lee Edwards, a fellow from Heritage, writes that "the fiscal strength of conservative organizations is impressive... The assets of leading center-right foundations are an estimated \$10 billion, not including the personal wealth of the Koch brothers, benefactors of conservative as well as libertarian causes." (Edwards 2016:33). What is perhaps less well known is that conservative think tanks and networks have infiltrated state politics, holding key posts and running alternative policies that seek to implement their conservative agenda (Hertel-Fernandez and Skocpol 2016). That's why the Obama administration turned to mayors and cities to implement some of its urban regeneration programs, bypassing states' opposition.

To summarize, the Obama administration record on poverty is a story of limited success. Put differently, it's between a B and a B minus. On the plus side, the Recovery Act and subsequent stimulus packages did prevent the advent of a Great Depression. These policies clearly protected lower- and middle-income wage earners from falling even further down the income ladder. Social assistance benefits were boosted - especially food stamps. Unemployment insurance was improved. The administration secured a permanent expansion for the Earned Income Tax Credit. Without these



efforts, national poverty rates would have skyrocketed: instead, they were stabilized. However, progress was painfully slow: it was only in 2015, six years after Barack Obama became President of the United States, that poverty rates finally declined. In 2015, there were 43.1 million people in poverty, 3.5 million less than in 2014 (Proctor et al. 2016). There is no doubt that a Republican administration would have let living standards for the poor slip much further. Moreover, the administration almost eliminated veteran homelessness. The Obama White House made some progress in terms of reducing place-based poverty, through the Promise Zones and Promise Neighborhoods initiatives (Edelman 2016). Obama's biggest achievement was the expansion of health coverage to middle and low-income individuals under the Affordable Care Act (ACA). Twenty million more people were insured in 2015, out of which 11 million gained access through the Medicaid expansion. Low income people and children from working class families stood to benefit the most from these changes. Obamacare was a substantial redistributive piece of legislation, with taxes on upper income earners paying for expanded coverage. But Democrats were muted about this social justice agenda for fear of being accused of engaging in "class warfare" by their opponents.

On the minus side, President Obama did not articulate an explicit antipoverty agenda, except in 2015/2016: too little, too late. Overall, the administration developed a revamped Third Way approach to social policy. Officials relied on competitive grants mechanisms to correct the dysfunctions of the market. The emphasis on equality of outcomes through education and

early childcare was welcome, but these policies did not develop around a coherent, streamlined framework. The administration was a champion of gender equality and LGBT rights, but had a comparatively timid stance in terms of promoting the statutory rights of welfare recipients. The Affordable Care Act left intact a costly private health insurance model. Indeed, Obama wanted to ensure that the insurance industry would not de-rail health care reform. But major market failures have continued to occur under Obamacare, undermining public support for the legislation. Crucially, the Obama White House fully endorsed the doctrine of balanced budgets, thus cutting discretionary social spending - Head Start and the Community Block Grant - of its own accord in 2011. More could have been done to protect these social programs. Not all the blame can be laid at the feet of an obstructionist Republican Congress.

This said, about two-thirds of Obama's mixed record on poverty is attributable to a pattern of constant opposition of a Tea Party dominated Republican Congress. The Obama administration made several proposals on job plans, increases in the minimum wage, improved infrastructure projects, place-based poverty initiatives. All these plans were rejected by the GOP, the Party of No. Had the administration been able to implement some of these proposals, much more progress would have been made in terms of reducing urban and child poverty. Moreover, the administration spent a lot of its political capital simply defending and enacting the Affordable Care Act. Considerable energy was devoted to just health care reform. As a result, other items - jobs, wages, affordable housing - were left behind.

The book's main argument is that the Obama administration's attempts to expand the frontiers of the American welfare state have been continually confronted by a series of institutional and constitutional constraints. The presidential capacity to shape legislative outcomes has been severely limited in an era of divided government and hyper-partisan politics, which explains why state politics and intergovernmental relations have played a much greater role in social policy than Congress. This is largely attributable to congressional legislative inaction or purely symbolic politics once Democrats lost their majority in the mid-term elections in 2010. It's safe to say that one of the biggest impediments to social reform has been largely ideological.

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Chapter 1: The American social contract at the crossroads, explains how the American political and legal tradition is characterized by a lack of strong legal protection of socio-economic rights. The chapter examines the legacy of welfare reform, in particular the Work Opportunity Reconciliation Act signed by Bill Clinton in August 1996. This legacy is based on a consensus on paid work as a moral duty of citizenship as well as a preference for localized service-based social programs as opposed to federal cash assistance programs. The chapter shows that this social contract had become increasingly flawed as social and racial inequalities widened and as the labor

market became increasingly polarized. The Great Recession laid bare the holes of the safety net.

Chapter 2: The Obama administration vision: glass half full or half empty, seeks to define the Obama administration's vision for American social policy. It argues that the Obama administration policies were based on a moderate left-leaning modernizing effort through the expansion of existing antipoverty programs, Temporary Assistance for Needy Families (TANF), food stamps, Earned Income Tax Credit and unemployment insurance. The Affordable Care Act (2010) was the most significant antipoverty initiative of the Obama presidency. The administration was committed to a moderate social investment approach centered on expanding educational opportunities and generalizing access to health care, especially for low income Americans.

Chapter 3: Navigating the political backlash explores how Obama progressive policies prompted a strong political and ideological backlash. It explains how the Tea Party accentuated partisan polarization, a trend that characterizes American politics since the end of the 1970s. Tea Party ideology had three major elements: a hatred of Barack Obama, a visceral rejection of redistributive and pro-poor social policies, and a focus on the need to cut federal government intervention to the bare minimum. Second, as states legislatures shifted to the right, House Republican proposals on welfare and food stamps had strong moralizing and criminalizing undertones, with some inspiration from socially regressive state experiments (mandatory drug

testing for welfare applicants, or requiring that cash assistance cards should be banned in strip clubs or casinos).

Chapter 4: The politics of damage limitation, is a case study of symbolic politics and Republican obstruction in Congress. Republicans accused the Obama administration of wanting to undermine work requirements for TANF recipients, a red flag for conservatives. This marked the return of the mythical "welfare queen." The tendency to blame the victim, the perception that poor people either do not know how to spend their money or, worse, that they would deliberately misuse public funds, that there was a need to cut "entitlements" and social spending were popular narratives that played a crucial role in the agenda-setting process when Congress started to examine proposals for reforms either for food stamps or TANF. Although Democrats at times opposed some of the most radical retrenchment Republican proposals, they were mostly engaged in a damage limitation exercise, with a resulting pattern of system maintenance (as in SNAP) or policy drift (as in TANF). It is in this context that welfare litigation has played an important role. But welfare court cases do not strike the public imagination, thus allowing a hostile anti welfare view to dominate much of the political conversation.

Chapter 5: The Obama legacy, assesses the extent to which the Obama administration has been able to implement its legislative program. The most important achievement has certainly been the Affordable Care Act and the expansion of Medicaid. One of the biggest contradictions of the Obama

presidency is that it continued expanding the role of the federal government whilst at the same time cutting the number of federal government jobs due to tight fiscal rules. In fact, the dispersion and fragmentation of policymaking has continued, especially in relation to welfare and employment. And, finally, the structural social and economic inequalities that have plagued U.S. politics for the past three decades, with extreme poverty and in work poverty rising after each recession, have been accentuated by the Great Recession and persistent wage depression. This has created a huge disconnect that the fragmented U.S. polity has been unable to address.

In conclusion, Chapter 6: The American Welfare State in comparative perspective, assesses Obama social and welfare policy in a cross-national perspective. It argues that the fundamental American social contract remains "mean and lean" in comparative terms, despite the real efforts assigned to antipoverty policy initiatives, notably the expansion of health care for low income individuals under the Affordable Care Act. European and American policymakers have placed a renewed emphasis on equality of opportunities as opposed to equality of outcomes, with a blending of some elements of Anglo-American liberalism and the social-democrat tradition.

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