23. States of welfare: decentralization and its consequences in US social policy

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INTRODUCTION

The history of US social policy is framed around two questions: who should provide assistance and who is deserving of it? The question of who bears responsibility for provision reflects both a persistent contention about the extent of public responsibility in relation to market or family responsibilities (Esping-Andersen 1990), and over what level of government – or what arrangement of intergovernmental relations – might best take on that public responsibility (Blank 1997; Finegold 2005). At issue here is not just the formal delegation of responsibility across local, state and federal jurisdictions, but also a range of political, economic and philosophical considerations regarding the democratic implications of centralization or decentralization; the relative capacity, efficiency and responsiveness of different levels of government to needs; and the equity of variation in social provision across the nation-state. In turn, the question of who is deserving of assistance has also been (and remains) contentious, with elaborate and shifting criteria that implicate personal, familial and economic circumstances and expectations for 'deservingness' (Fraser and Gordon 1992; Katz 1989). More precisely, US social policy is shaped by the overlap or intersection of these two questions; and by the ways in which deservingness is defined, negotiated or imposed by different jurisdictions.

The meaning of social citizenship in any setting reflects social values and social solidarities – including not only the willingness to insulate citizens from the vagaries of the market and to provide for basic needs, but also broader commitments to egalitarian redistribution, social inclusion, and substantive equity (Marshall 1950). We conventionally think of this at the level of the nation-state, but such social solidarity can also be realized at subnational levels (Keating 2009) and local solidarities – 'the right to the city', rooted in shared experiences and shared space, can be especially powerful and durable (Kazepov and Barberis 2017; see also Chapter 2 by Ranci and Maestripieri in this volume). The argument for decentralization and more localized control over social policy rests on the conviction that "local officials best know the needs of recipients in their communities and are better able to respond to local challenges" (Hahn et al. 2015, p. 76). This 'subsidiarity principle' is celebrated not just for its supposed efficiency or responsiveness, but also for its ability to nurture democracy and citizenship. Locally calibrated policies, in this view, are more inclusive, accountable, and – in the eyes of recipients and non-recipients – more legitimate (see Chapter 3 by del Pino et al. in this volume). Freed from the constraints of 'one size fits all' national policies, local control yields experimentation, innovation, and the diffusion of best practices or strategies from one jurisdiction to the next. This view is captured in the famous invocation of Justice Brandeis – that states can and will act as 'laboratories for democracy' by providing states with the opportunity to develop innovative policies to address local needs in ways that are consistent with local preferences, and offering a mechanism for the efficient diffusion of good policies from one jurisdiction to the next (Lieberman and Shaw 2000; Volden 2006).

At the same time, the promise of decentralization[1] in sustaining social citizenship and social solidarity in subnational settings rests on "the structure of the state in which [social policies] evolved" (Moreno and McEwen 2005, p. 40). Whether the decentralization of social policy improves or undermines the lot of poor families depends on the distribution or delegation of responsibility, the political motivations for that distribution, and the policy goals and capacities of the jurisdictions to whom responsibility is delegated. In the US case, that jurisdictional architecture is shaped by constitutional constraints, by the uneven capacity of state and local governments, by deference to local economic and social relations, and by the ways in which all of these were navigated during the formative years of welfare state development.

Constitutionally, American federalism defers most policymaking authority to the states although, in practice, state reliance on federal funding (especially in social policy) gives the national government substantial leverage to cajole, coerce, and punish state policy choices (Goelzhauser and Konisky 2020). States, in turn, define the form and function of local governments as a delegation of authority, accomplished through constitutional provisions ('home rule'), legislation, and administrative code (Briffault 1990; Kettl 2020). The net result is a political structure marked by a relatively weak federal presence, a historically prominent role for the states, and fragmented local government – the latter including a bewildering array of both general-purpose jurisdictions (municipalities, counties, and townships) and special-purpose jurisdictions (such as school districts). Some of these (such as counties) are stable areal units; some (such as municipalities or school districts) have elastic or fungible boundaries which are often 'gerrymandered' for the expressed purpose of segregating or excluding populations, avoiding burdens, and hoarding opportunities (Gordon 2019), with the unsurprising result of fostering inequality in outcomes and opportunities across neighbourhoods and jurisdictions (Lobao 2016; Trounstine 2018).

American federalism makes no provision for equalization or revenue-sharing across jurisdictions, and the fiscal capacity of state and local governments – historically and currently – is relatively weak (Beland and Lecours 2014). In turn, state and local tax systems (especially in the Southern states, which rely more heavily on consumption taxes) are generally regressive – dampening redistribution on the revenue side of the ledger as well (Newman and O'Brien 2011; O'Brien 2017). Local governments are doubly disadvantaged; their ability to raise revenue or incur debt is sharply constrained by state governments (Wen et al. 2018), leaving most dependent on volatile sales and property taxes and increasingly meagre intergovernmental transfers (Peck 2014). Constrained in their options for revenue, many local governments have turned increasingly to predatory revenue generation strategies including local policing and code enforcement (Gordon 2019; Shoub et al. 2021).

In turn, across all jurisdictions, American social policies have a relatively weak commitment to decommodification. This deference to the market, and prioritization of paid labour force participation, is evident in the reliance on employment-based social insurance programmes, where thresholds of support and wage replacement are quite low (Esping-Andersen 1990). Most importantly on this score, American social policies have been designed to reinforce and solidify the structure of local economic and social relations. This was especially true in the South, where labour markets were dependent on the racial subordination of blacks (Lieberman 1998; Quadagno 1994; Alston and Ferrie 1999) and in the Southwest where they depended on the subordination of migrant labour (Fox 2012). In the 1930s, the social policy innovations of the New Deal introduced new federal standards and fiscal commitments, but left much of the deference to state authority and local or regional markets intact. Because this tiered discretion was motivated by a deference to local labour markets and race relations, it yielded both substantial disparities in access and benefits across states and local areas (Wexler and Engel 1999) and a push for higher and more universal federal standards (Nadasen 2005; Soss et al. 2011b). The War on Poverty and Great Society programmes of the 1960s were explicitly framed as a strategy to equalize provision across populations and jurisdictions, on the grounds that only the federal government claimed the requisite fiscal capacity and commitment to civil rights (Bailey and Danziger 2013; Blank 1997).

The welfare reforms of the 1990s – best represented by the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 – eliminated the entitlement to cash assistance for poor families with dependent children and institutionalized a requirement for low-income parents to participate in the paid labour market as a condition of assistance. The new programme (Temporary Assistance to Needy Families [TANF]) both constrained state discretion with new federal regulations and/or prescriptive guidelines (as in the requirement that states meet targets for work participation by clients) and widened state and local discretion on key elements of financing, administration and rulemaking (Haveman et al. 2015; Bruch et al. 2018). The new welfare regime, as Soss et al. (2001, p. 380) put it, was "one in which states enjoy increased discretion in choosing *means* as long as they toe the line in meeting federally prescribed *ends*".

Those ends included an emphasis on reducing dependency on social assistance and increasing the social obligations of recipients (Mead 1986). Unlike the solidarity model of social inclusion, the paternal model focuses on enforcing individual responsibility through labour market participation (and other behavioural expectations), conditioning receipt of benefits on compliance, and adopting punitive sanctions for non-compliance (Soss et al. 2011b; Fellowes and Rowe 2004). In programmes like TANF and beyond, the new work-based safety net configures assistance to support labour force engagement through the provision of in-kind benefits or services such as childcare subsidies and transportation assistance or through tax credits that reward work (Heinrich and Scholz 2009), effectively narrowing the definition of the deserving poor (Moffitt 2015).

The important upshot of all of this, for our purposes, is that the jurisdictional architecture of American social policy is crafted to undermine social citizenship and frustrate equal protection. In a weak federal system, national standards – let alone any commitment to universality – are thin. States have been inclined to exercise their responsibility or discretion in ways that produce 'divided citizenship' (Mettler 1998), 'fragment democracy' (Michener 2018) and harden existing inequalities (Kettl 2020). And, at the scale where subsidiarity might take hold, local governments are constrained by their own fragmentation, by their limited and uneven political or fiscal capacity, and by their own deference to local market and social relations.

Social provision in the US, in short, is *unequal by design*, providing tiered and categorically based assistance that varies – across jurisdictions and citizens – in both quantity and quality. Programmes for the most 'deserving' (i.e. retired workers) are primarily provided through national social insurance programmes with national financing and standardized rules (Fraser and Gordon 1992), working-age adults with stable and well-compensated employment are assisted through employment-based benefits, such as health insurance and retirement savings (Klein 2006; Hacker 2002) and with 'hidden' tax benefits that subsidize their standard of living (Howard 1999), whilst the most disadvantaged and least 'deserving' are assisted through a patchwork of programmes that provide limited income, and in-kind assistance and services, most of which are designed to allow for local or state discretion in administration, financing or policymaking (Soss et al. 2011b; Bruch et al. 2018).

CONSEQUENCES OF DECENTRALIZATION AND DEVOLUTION IN THE UNITED STATES

State governments play a prominent role in American social provision, a fact which has important political and policy implications with regard to equity and fairness, the willingness and capacity of social policies to meet basic needs, and patterns of inclusion in social citizenship. Whilst the framing here is normative, empirical analyses shed light on the consequences of decentralization, informing both our assessment of policy to date and our decisions moving forward. Our analysis draws on this body of research as well as evidence obtained by analysing the State Safety Net Policy (SSNP) dataset to describe social provision in the US case, and to assess the core arguments for and against the decentralization or devolution of social policy.

The SSNP is a unique, longitudinal dataset that includes consistent, comparable, annual state-level measures of social safety net provision on two dimensions – generosity of benefits and inclusiveness of receipt – across ten safety net programmes from 1994 to 2018.[2] For each type of assistance, generosity is calculated by dividing total benefit spending (federal and/or state, as appropriate) by a state's total caseload. The generosity measures are adjusted to constant dollars (2018$) using the Bureau of Labor Statistics Consumer Price Index Research Series (CPI-U-RS). Inclusion is calculated by dividing the number of actual programme recipients in a state by the number of potentially eligible individuals or families in the state.

The SSNP allows us to map policy trajectories across periods of dramatic policy and economic change and in so doing assess the central claims made by the proponents of decentralization – that local provision yields greater equity, greater responsiveness to need, and stronger bonds of connection and inclusion. Across the last two decades, these claims are not substantiated. Instead, decentralization tends to generate and cement inequality across needy populations and across jurisdictions; invites local discretion as to who is deserving, thus multiplying the points of potential discrimination and exclusion; and in turn reinforces existing unequal social and economic relations.

In the US, jurisdictional responsibility and discretion for financing, rulemaking and administration for safety net programmes is a complex mix across federal, state and local governments. Table 23.1 summarizes this pattern of policy design for ten safety net programmes that provide assistance to low-income families with children in the current period.[3] Each jurisdiction listed bears (or shares) responsibility for that aspect of the programme (i.e. the financing of cash assistance), whilst the darker shading of the jurisdiction label (from grey to black) indicates greater discretion. Whilst the design of these safety net programmes varies substantially, the general patterns are revealing. In six of the ten programmes, financing is a federal-state split. In some cases (i.e. cash assistance), this is structured as a federal 'block grant' and a roughly equivalent state share; in others (i.e. children's health insurance), the federal share is more generous and calibrated by state need. In these programmes, states generally enjoy substantial discretion as to how programme funds are spent. In cash assistance, for example, states determine not only the level of the benefit, but what share of programme funds is used for direct payments. In two of the programmes (food assistance and Supplemental Security

Table 23.1 Jurisdictional responsibility and discretion

	Financing	Rule-making	Administration
Cash assistance	FED | **STATE**	FED | **STATE**	**STATE** | **LOCAL**
State income tax	**STATE**	**STATE**	**STATE**
Targeted work assistance	FED | **STATE**	FED | **STATE**	**STATE** | **LOCAL**
Child care	*FED | STATE*	FED | **STATE**	**STATE** | **LOCAL**
Preschool/early education	FED | **STATE**	FED | **STATE**	**STATE** | **LOCAL**
Child support	*STATE*	FED | **STATE**	FED | **STATE**
Unemployment insurance	FED | **STATE**	FED | **STATE**	*STATE*
Child health insurance	FED | **STATE**	FED | **STATE**	**STATE**
Child disability assistance	*FED*	*FED*	*FED*
Food assistance	*FED*	*FED*	*STATE | LOCAL*

Notes: Bolded font indicates a high level of discretion, italics font indicates a moderate level of discretion, and regular font indicates a low level of discretion.
Source: Authors' summary of relevant legislation and statutes.

Income (SSI)), funding is either entirely or predominantly federal with more uniform benefits across states (local financing of social provision was almost completely eclipsed by the New Deal; social provision accounts for only 4 per cent of local government budgets[4]). A similar federal-state relationship holds across rulemaking in most programmes: here, the federal government sets basic guidelines or thresholds (such as residency rules and appeal procedures), whilst the states enjoy wide latitude in determining the conditions of receipt, including work requirements or other behavioural conditions, eligibility restrictions and ongoing compliance enforcement, and in some cases benefit levels and/or income and asset disregards.

In programme administration, responsibility and discretion (with the exception of SSI) rests almost solely with state and local governments. Here, the discretion enjoyed by states includes the ability to devolve administrative discretion to local governments or agencies and/or 'second-order devolution' of not only administration but rulemaking as well. While local governments play virtually no role in either the financing of social programmes or in the formulation of programme rules, they (and sometimes private non-profit and for-profit surrogates) play an increasingly important role in 'storefront' administration where street-level bureaucrats determine eligibility, decide on referrals to services and supports, monitor compliance, and enforce sanctions (Marwell 2004; Campbell and Morgan 2011; Morgan and Campbell 2011). County governments provide the 'storefront' administration of federal programmes, such as TANF and Medicaid, although application and certification for other federal programmes (such as the Supplemental Nutrition Assistance Program (SNAP)) is increasingly provided online (Lobao and Kraybill 2005; Allard et al. 2014). Local governments administer some federal programmes (including early childhood education, public housing, and community development block grants) directly (Bailey and Danziger 2013). And local governments are primarily responsible for a wide array of other policies and services – including education, land-use zoning, policing, and economic development (Briffault 1990).

Turning to an examination of the consequences of decentralization, we ask two questions. First, does decentralization yield unequal social citizenship? On this point, we examine both uneven social provision across jurisdictions, and differential patterns of access and exposure to paternalistic and supportive social provision. Second, are decentralized programmes more or less responsive to state and local needs? On this point, we examine both state and local capacity to meet needs, and their strategic or political responses to new discretion or responsibility.

Social Citizenship Equity

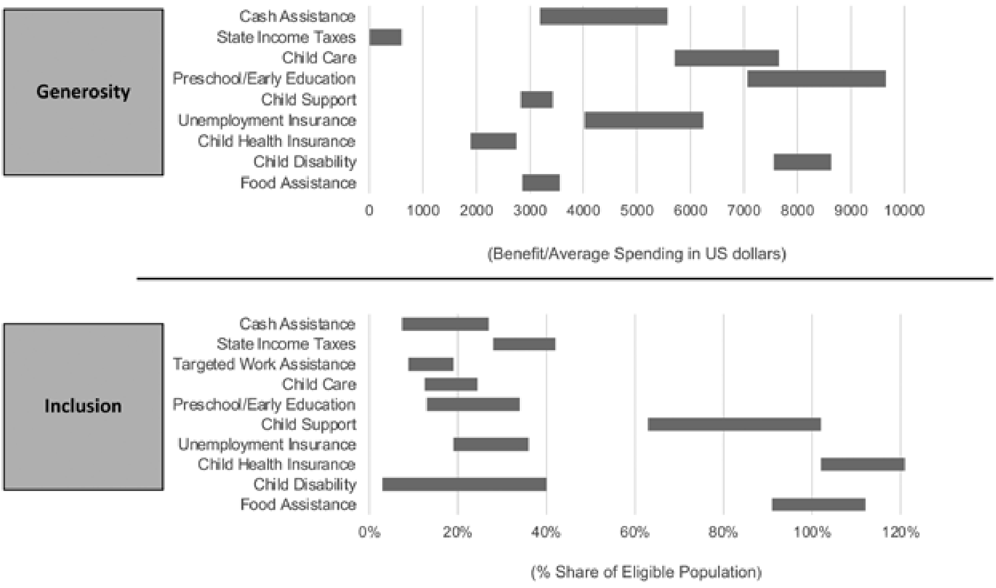
Just as the scale or level of government has become an important arena of inquiry, so too the effective scale of citizenship has become a pressing concern for scholars and citizens alike (Kazepov and Barberis 2017; Somers 1993). As Somers (1993, p. 589) notes, the degree to which national laws and institutions "are converted into actual universal rights depends fully on the local contexts – the social and political – in which they are activated". Social provision in this way is not just about benefit receipt, but it is an "active force in the ordering of social relations" (Esping-Andersen 1990, p. 23) which positions citizens in relation to the state and shapes the quality and equity of social citizenship. "The fact that the same family can have a vastly different experience based solely on where they live", as Campbell (2014, p. 72) underscores, "raises questions about the effectiveness, desirability, and even morality of this variation". In one respect, this is simply a matter of horizontal equity, of meeting T. H. Marshall's expectation that all citizens of a nation-state enjoy at least a "modicum of economic welfare and security" (1950, p. 8).

The decentralized structure of the US safety net has created fertile ground for unequal provision across states and local areas. "There is no escape from a compelling truth", as Wildasvsky has underscored for the American case, "federalism and equality of results cannot coexist" (1985, p. 49; see also Kettl 2020). From the formative years of the American social provision (Wexler and Engel 1999) to the current period, scholars have demonstrated considerable inequality in provision not only across states (Bruch et al. 2018; Campbell 2014; Meyers et al. 2001), but also across local areas and counties (Allard 2009; Lobao and Kraybill 2009; Soss et al. 2011b; Cho et al. 2005). This inequality in social provision means that the safety net an economically vulnerable family has access to is determined in large part by the state and municipality or county in which they happen to reside.

These patterns of inequality – across jurisdictions and across programmes – are stark. Figure 23.1 captures this variation for ten safety programmes in 2018 using the SSNP data. The figure displays the range of variation in the generosity of benefits and inclusiveness of receipt for each programme. Figure 23.1 makes it clear that generosity and inclusion vary dramatically across states. For example, a family receiving cash assistance (TANF) living in a state near the 25th percentile would receive just over $3,000 a year while a similarly situated family in a state near the 75th percentile would receive approximately $4,600. Turning to inclusion, states at the 25th percentile provide cash assistance to fewer than one in 10 poor families with children whereas states at the 75th percentile provide assistance to only about one quarter of poor families.[5]

These cross-state inequalities in provision reflect a multitude of factors (including economic, fiscal, political and demographic differences across states) but importantly they are also shaped by the degree of state discretion. Programmes with greater state discretion also have greater cross-state inequality in generosity and inclusion, and over time these inequalities widen in the programmes affected most directly by the welfare reforms of the mid-1990s which allowed for greater state discretion (Bruch et al. 2018).

This discretion, in turn, is not exercised evenly across populations. Indeed, social inequities in access to social provision are fundamentally tied to race in the US case. Original programme designs were shaped in ways to allow for racial exclusion, either by exempting occupations in which African-Americas were heavily represented, or by allowing states and localities wide discretion as to eligibility and benefits. In the current period, the mechanisms



Note: Last year of data is 2017 for childcare, and 2013 for child health insurance inclusion. Not shown in graph: targeted work assistance generosity 25th and 75th percentiles: $7,922 and $32,362, respectively.
Source: State Safety Net Policy database.

Figure 23.1 Extent of cross-state variation in social provision, 2018

of exclusion remain plentiful: there is a long line of research on state safety net policies, which demonstrates that states with larger black populations in particular have less generous and more exclusionary and punitive social safety net policies (Soss et al. 2001, 2011a; Fellowes and Rowe 2004), more regressive state and local taxes (Newman and O'Brien 2011; O'Brien 2017) and spend less on cash assistance (Parolin 2021). The fragmentation of local jurisdictions (and of the services they provide) is more likely when locally populations are racially or ethnically diverse (Gordon 2019; Freemark et al. 2020), and cities and counties with greater ethnic and racial diversity spend less on public goods and services (Alesina et al. 1999; Garrow and Garrow 2014; An et al. 2018). Local jurisdictions have also proven more adept at regulating and surveilling recipients, acting not as a mechanism for enhancing solidarities, but instead as an effective avenue for locally enforced social control (Mettler 1998; Soss et al. 2008). There is also compelling work that identifies the role of explicit and implicit racial attitudes and beliefs as an important factor in policymaker and programme administrator decisions (Maynard-Moody and Musheno 2003; Keiser et al. 2004; Watkins-Hayes 2009; Soss et al. 2011b).

All these areas of research point to the importance of understanding how systemic racism and other exclusionary ideologies and beliefs intersect with decentralized programme designs in ways that contribute to geographic inequality in social provision. The consequences, on this score, are not confined to uneven or inequitable access to Marshall's "modicum of economic welfare and security" but also have long-term civic and political implications (Mettler and Soss 2004). Citizen encounters with state and local governments inform how they view government, their standing, and shape their civic and political behaviours (Bruch et al. 2010; Soss 1999). Experiences with generous and inclusive social policies provide not only needed resources, but also provide positive political lessons to recipients, increasing their sense of citizenship and their civic and political participation (Soss 1999; Mettler 2005), whilst experiences with paternalistic and punitive social policies, such as TANF, serve to reinforce civic and political marginalization (Bruch et al. 2010).

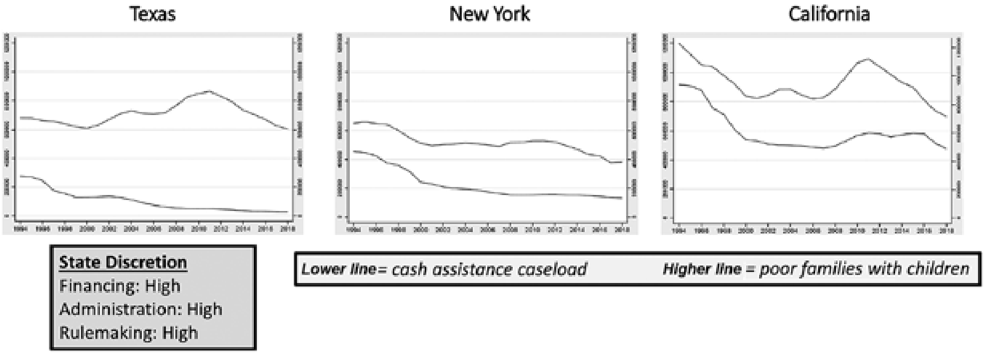
The unevenness of American social citizenship, and the inequities that follow from state and local discretion, were both manifest in the public health and social policy responses to the COVID-19 pandemic. Efforts to slow the spread of the virus were frustrated by jurisdictional conflicts over essential medical supplies and a bewildering array of shelter in place and re-opening policies based on political factors and idiosyncratic metrics (Yong 2020). Conceding the uneven inclusion and generosity of state-based unemployment insurance systems, the federal government stepped in with temporary programmes to both raise the basic benefit and make assistance available to those ineligible for regular state programmes (over 40 per cent of the unemployed). Meanwhile, state-to-state disparities in basic social protection – including public health insurance, food assistance, paid leave, workplace health and safety, and cash assistance – left Americans unevenly exposed to both the virus and its economic fallout (Gordon et al. 2020).

Responsiveness

An important and consistent justification for decentralized social policy is that state and local governments are better equipped to respond to state and local needs (see also Chapter 3 by del Pino et al. in this volume). Responsiveness to need is shaped by policy design (i.e., whether policies are countercyclical and the types of risks or hardships they are designed to address). The perils of jurisdictional arrangements – in which local governments with weak or uneven fiscal capacity bear high levels of administrative responsibility – are especially apparent under adverse economic conditions. While the presence of families at high risk of poverty differs across states and local areas, the approaches and responsiveness to changes in needs vary widely (Lobao and Kraybill 2009; Bitler et al. 2017; Laird et al. 2018). Fiscally strapped counties and cities reduce and/or privatize core services (Peck 2014); cut public payrolls (Bivens and Shierholz 2013); or turn to regressive and predatory forms of revenue generation (Gordon 2019; Shoub et al. 2021) just to keep the lights on at City Hall.

To demonstrate the consequences of having a decentralized safety net for poor families, the SSNP inclusion indicators can be pulled apart to compare changes in need to changes in receipt over time. Figure 23.2 displays the widely varying trends in cash assistance receipt and family poverty trends from the early 1990s across three states. In all three states shown, there was greater correspondence between changes in poverty and receipt of cash assistance from the mid-1990s through the early 2000s, but as poverty increased during the Great Recession, there was not a corresponding increase in the receipt of cash assistance, indicating a lack of responsiveness to families in need.

How responsive safety net policies are to changes in need is largely driven by their design: only a handful are explicitly countercyclical in their design and others are only fleetingly so – such as when federal programmes temporarily extended benefits or eligibility in response to the Great Recession (Bitler and Hoynes 2016a, 2016b). Means-tested programmes are more



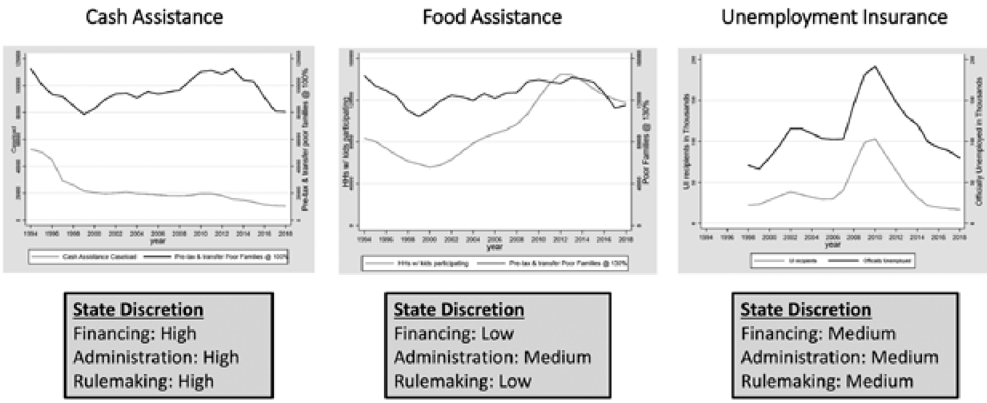
Source: State Safety Net Policy database.

Figure 23.2 State variation in cash assistance responsiveness, 1994–2018

responsive when they are designed as entitlements, and less responsive when the programme is partly or fully funded by state or local governments (Gais et al. 2012). Notable in this regard is the contrast between cash assistance, food assistance, and Unemployment Insurance: while food assistance and Unemployment Insurance enrolments and spending increased during the Great Recession (as more become income-eligible), cash assistance enrolment was not responsive to increases in need (Bitler and Hoynes 2016a, 2016b). The SSNP data demonstrates this contrast well. Figure 23.3 displays the 50 state median trends in poverty and unemployment alongside the trends in benefit receipt in these three programmes. The largely parallel lines for the Unemployment Insurance Program demonstrate a high degree of responsiveness, the converging of the lines in food assistance indicate an increasing inclusiveness of the programme, whereas the diverging lines in the case of cash assistance indicate a lack of responsiveness.

Finally, the discretion afforded to states in policy design and administration raises the possibility (or fear) that states could seek political or fiscal advantage by competing to become *less* responsive. In this ‘race to the bottom’ logic of fiscal federalism, the poor are expected to migrate to settings where benefits are more generous, and state and local governments are expected to pare back eligibility and benefits in order to avoid becoming a ‘welfare magnet’. Certainly, the formative years of American social provision were marked by fears of competitive disadvantage (Robertson 1989), and the reforms of the mid-1990s were animated by the conviction that decentralization would result in retrenchment (Beland and de Chantal 2004). Yet the evidence of a ‘race to the bottom’ – regarding either ‘welfare magnet’ migration or corresponding cuts in benefits or eligibility – has not been borne out in the empirical scholarship on the pre- or post-PWRORA welfare reform eras (Peterson and Rom 1990; Volden 2006; Bruch et al. 2018). Both the residential choices of the poor (Allard and Danziger 2000) and the political choices of states are much more likely to be shaped by broader economic and political conditions (Berry et al. 2003; Bruch and White 2018).

The role of political factors in safety net provision can be observed using the SSNP data alongside data on state legislative control.[6] Figure 23.4 displays the changes over time in the generosity and inclusion of two programmes: cash assistance and Unemployment Insurance – for four categories of states: those where Democrats have dominated the state legislature from 1994 to 2018, those where Republicans have dominated over the same 25-year span,

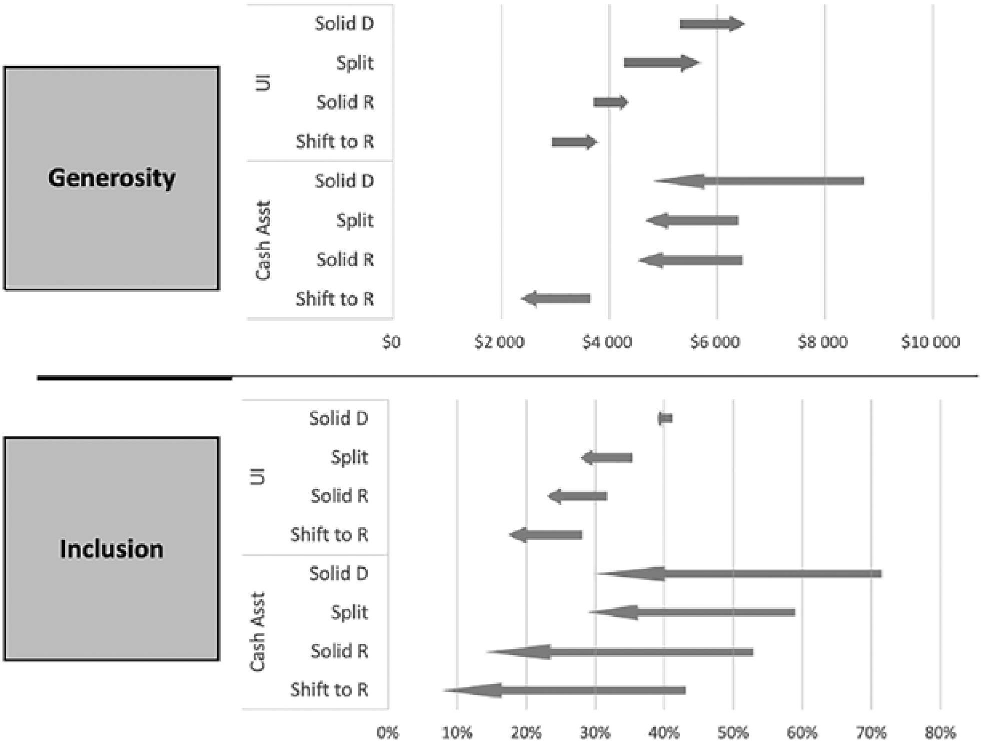


Source: State Safety Net Policy database.

Figure 23.3 Safety net programme responsiveness to changes in need, 1994–2018

those where partisan control has been split, and those where partisan control has shifted to Republicans in the past 10 years. In the case of Unemployment Insurance, average benefits to recipients increased more from 1994 to 2018 in states in which both houses of the legislature were dominated by Democrats or they were Split (where neither party controlled both houses). The rate of inclusion declined in all categories of states, but less so in the Solid Democrat states. In the case of cash assistance, both the largest decrease in average benefits and in the rate of inclusion are found in the Solid Democrat states. However, on all these measures, the starting point in 1994 is important. On each measure, the rank orders of 2018 values are the same: the Solid Democrats are the most generous and inclusive, followed by states that have Split legislative control, followed by Solid Republican, and the Shift to Republican being the least generous and inclusive. While the full implications of these partisan patterns are beyond the scope of this chapter, a couple of observations are in order. Historically, the American two-party system has had a distinct regional cast, and there was as much ideological diversity within each party as there was across them. Since the 1970s, partisan competition has become more polarized (Andris et al. 2015), and Republicans have displaced conservative 'Dixiecrats' across the American South (Lowndes 2008). The Solid Republican group is regionally diverse, but its constituent states have converged ideologically over time. Six of the seven states in the Shift to Republican group are in the Deep South and the African-American share of the population in this group (22 per cent in 2010) is much higher than the national share (12 per cent). In this respect, this group maps on to the "southernization of American conservatism" (Lowndes 2008, p. 140) and the clear pattern (see above) of less inclusive and generous social policies in states with large African-American populations.

These inequalities in responsiveness – inequality between states in responsiveness to need within the same programme, between programmes with different designs, and the politically inflected pattern of changes over time – demonstrate the detrimental consequences for economically marginalized families of a decentralized safety net. There is, in all of this, some room for progressive innovation in state and local policy (Freeman and Rogers 2007). However, such efforts most commonly involve raising regulatory or labour standards (such as the minimum wage) rather than committing new state or local resources and have been most



Source: State Safety Net Policy database; University of Kentucky Center for Poverty Research, National Welfare Data, 1980–2018.

Figure 23.4 Trends in the generosity and inclusion of selected safety net programmes by political party control, 1994–2018

commonly pursued in booming settings like Seattle or San Francisco – raising standards for some but widening regional inequalities (Lobao 2016). And they have created a curious eddy in the devolution current, as state governments have increasingly prohibited or pre-empted local efforts (Briffault 2018).

The COVID-19 crisis underscored this uneven and inequitable responsiveness. Social supports tied to employment, especially job-based health coverage, collapsed with the economy – deepening economic and health insecurity (Garrett and Gangopadhyaya 2020). Both the Economic Impact Payments (a one-time payment based on income and family size) and the temporary federal unemployment insurance assistance acknowledged not just the uneven generosity and inclusion of state programmes, but the fact that they lacked the fiscal capacity to respond to any substantial downturn. This short spell of federal generosity (the unemployment insurance extensions expired in July 2020) was frustrated by the inability of antiquated state programmes to even process the avalanche of claims (Evermore 2020). As in the Great Recession, meagre state cash assistance programmes offered no countercyclical cushion, while those funded entirely with federal dollars (such as food stamps) offered some relief (Bitler et al. 2020). And, as in the Great Recession, those federal programmes were temporary extensions or one-off payments; they were not part of existing safety net nor incorporated into it.

CONCLUSION

Against political claims or hopes that decentralization might yield social policies that are more equitable, more nimble and more responsive, the US case is a cautionary outlier. By any measure, decentralization has yielded social policies that are starkly uneven in their scope and generosity. At a moment when social policies – across all jurisdictions – were failing to adjust to the changing character of social risk and insecurity, decentralization shuffled new responsibilities onto the backs of state and local governments that in many cases lacked the political inclination or fiscal capacity to step up. Indeed, the devolution of administrative authority and discretion to state and local jurisdiction perpetuates and enables deeply racialized social and economic relations.

On balance, the uneven capacities of state and local government, alongside the remarkable fragmentation of local government in the US, tend to exaggerate jurisdictional inequalities, undermine social citizenship, and respond clumsily – if at all – to demonstrable need. Whilst state and federal social programmes do ameliorate market-generated inequalities, their reach and their effectiveness vary widely across states (Bruch et al. 2020). As a result, and on all-important metrics of economic well-being, security, and opportunity, the state where you live shapes your life and your life chances (Laird et al. 2018; Chetty and Hendren 2018). In a nation marked by pervasive and durable economic disparities, that patchwork of policy choices has itself become a potent source and form of inequality.

The raggedness of the American safety net is especially evident across the last decade. At moments of broad-based need, including the Great Recession and the economic crisis that accompanied the COVID-19 pandemic, state and local programmes lack the capacity or the willingness to help those in need and the federal government has been forced to step in – haphazardly and temporarily displacing or subsidizing state and local aid, and papering over the unevenness of state and local programmes. The result is not relief for those who need it most, but instead a meagre and threadbare patchwork that sustains widespread insecurity – and punishing inequality.

NOTES

1. We use 'decentralization' rather than 'federalism' to characterize the US case for two reasons. As an institutional structure or set of intergovernmental relations, federalism represents the macro context in which policies with varying levels of state discretion or authority are embedded. In this way, changes in de/centralization occur within the broader institutional configuration of relations between levels of government. Decentralization is also preferred because it can occur in federal or unitary nation-states, and so is a more fruitful concept for cross-national comparative scholarship.
2. The ten programmes are: cash assistance (AFDC/Temporary Assistance to Needy Families), food assistance (Food Stamps/Supplemental Nutritional Assistance Program), child health insurance (Medicaid and Child Health Insurance Program), child support enforcement, childcare subsidies (Childcare Block Grant/Childcare Development Fund and TANF), early childhood education (Head Start and state pre-K programs), Unemployment Insurance (UI), targeted work assistance through AFDC/TANF, child disability assistance (Supplemental Security Income), and state income taxes

for families at the poverty line. For more information on the measurement of generosity and inclusion in each programme, see Bruch et al. (2018).

3. These ten programmes represent the majority of programmes that provide resources to economically marginalized families with children. Although the federal Earned Income Tax Credit is one of the largest supports for these families, it is not discussed here because it is an entirely federal programme. For more details on the criteria used in selecting the programmes and the determination of levels of discretion, see Bruch et al. (2018).
4. Direct social welfare spending accounts for 42 per cent of state budgets but less than 4 per cent of local budgets. Nationally, over 92 per cent of state and local social spending (2019) occurs at the state level (Urban Institute 2022). Local governments (usually counties) provide a wide array of smaller-scale social services, most of which are funded with federal dollars. These include general assistance (cash or in-kind support for those ineligible or not yet approved for federal programmes), workforce development, childcare services, elderly services, housing assistance and shelters, mental health services, and nutrition programmes (Lobao and Kraybill 2009; Lobao et al. 2012).
5. Cash-based work assistance is not included in the generosity panel of Figure 23.1 due to the much larger range of observed values ($5,762 at 25th percentile and $18,704 at 75th percentile).
6. States are classified into four groups based on legislative control of the two state legislative chambers for each of the 25 years between 1994 and 2018. States are classified as controlled by one party (Republican or Democrat) when they have the majority in both chambers for at least 13 of the 25 years. This results in 21 states classified as Stable Republican and 14 as Stable Democrat. States are classified as ‘Split’ when neither party controls both legislative chambers for at least 13 of the 25 years, or there is a mostly even split between the three categories: Republican-controlled, Democrat-controlled, or Split. Eight states fit this description. The final category, Shift to Republican, is meant to capture the fairly dramatic shift towards Republican control of state legislatures, and is defined by having Republican control of both legislative chambers in 6 of the last 10 years of the time period (and not already classified as Stable Republicans). Seven states fit this description. Data source: University of Kentucky Center for Poverty Research (UKCPR) (2020), ‘UKCPR National Welfare Data, 1980–2018’, Gatton College of Business and Economics, University of Kentucky, Lexington, KY. Available online at http://bit.ly/3dNjQMn.

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