Social Politics in Context: The Institutional Politics Theory and Social Spending at the End of the New Deal*

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Abstract

In this article, we develop an institutional politics theory of public social provision and examine U.S. social spending programs at the end of the New Deal. This theory integrates key insights of institutional and political theories of social policy. Drawing on institutional arguments, our theory holds that the willingness or ability of pro-spending actors to promote social spending initiatives depends on institutional conditions, especially the extent of voting rights and the nature of political party systems. Furthermore, drawing on political arguments, the theory posits the importance of pro-spending actors, including progressive factions of political parties and organized challengers. To appraise the institutional politics theory, we analyze state-level outcomes for Old-Age Assistance pensions and Works Progress Administration wages, employing multiple regression and qualitative comparative analysis (QCA). All analyses support the institutional politics theory.

Scholars often consider the U.S. exceptional in public social provision and its causes. The two major theories of public social provision — political and institutional — see the U.S. as peculiar. Political theorists often characterize U.S. political parties as nonideological and unlikely to propel public social provision. The same is true for the American labor movement, which is smaller and more divided than its Western European counterparts. For these reasons, political arguments explaining gains in U.S. public social spending often focus on challengers employing innovative forms of claims making. Institutional or state-centered theories portray U.S. state and political institutions as hindrances to

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modern social spending policies — American federalism providing numerous veto points for opponents of public spending. Institutional theories sometimes argue that state bureaucrats or entrepreneurial policy experts can fabricate the support needed to unite the polity behind social spending programs (see reviews in Esping-Andersen & van Kersbergen 1992; Orloff 1993; Piven & Cloward 1993; Quadagno 1987; Skocpol 1992; Skocpol & Amenta 1986). Divisions in American political authority and the nature of its political parties and labor movement may have discouraged social spending, but did not rule it out. Political party regimes and organized labor — though different in the U.S. than in other countries — may be too quickly dismissed as forces for increases in social spending.

In this article, we reexamine the influence of U.S. political parties, state bureaucrats, organized labor, and organized challengers on public social provision in the 1930s. We propose an *institutional politics theory* that draws on institutional and political theories of public social provision and attempts to resolve differences among them. This theory situates political parties and other pro-spending actors within the context of state political institutions and political party systems. It holds that institutional conditions constrain public policy making and the actors pursuing policy outcomes but that these actors are central to explaining the gains that are made.

Employing insights from institutional and state-centered theories (e.g., Heclo 1974; Orloff & Skocpol 1984; Skocpol 1992; Steinmo 1993), the institutional politics theory specifies the institutional political conditions that affect the growth of public social spending (see also Huber, Ragin & Stephens 1993). Two such conditions matter most: whether a political system is *democratic,* characterized by widespread voting and participatory rights and choices among parties (Key 1949), and whether a party system is *programmatic* or "open," focused on providing collective benefits to large groups, rather than patronage oriented, focused on providing individualized benefits (Shefter 1983). We argue that these conditions influence whether political representatives will support public spending policies and how successful these bids are likely to be. In addition, like institutional theorists, we expect social spending legislation to be advanced by the presence of powerful *state bureaucrats* whose organizational missions center on social spending.

The institutional politics theory also draws on political theories, such as the social democratic model (e.g., Stephens 1979), the "parties matter" hypothesis (Castles 1982), and the political resources theory (Hicks & Misra 1993). Specifically, the institutional politics theory expects Democratic and third-party politicians in democratic political systems and in non-patronage-party systems to support social spending policies — for they are subject to electoral reprisals from everyday people and are not organizationally constrained from promoting programmatic policies. If these politicians take control of state governments, the resulting *"reform-oriented" regimes* are expected to increase social spending. Moreover, like advocates of these political theories we argue that *political challengers* can have an impact on social politics. Similarly, we expect these challengers to be more likely to form and to win concessions on programs of interest in democratic and open political systems. Also, we expect challengers to require the mobilization of large followings and political resources to achieve spending successes.

To demonstrate the usefulness of the institutional politics theory, we employ a research strategy that combines two analytical techniques on two Depression-era programs: Old-Age Assistance (OAA) and public employment through the Works Progress Administration (WPA). Analyzing state-level variation in these spending programs allows us to appraise the theory because the variables indicated by it varied widely across the states. We chose these programs because they were the two most fiscally important and politically significant programs at the end of the New Deal, which was in turn the most important period in U.S. social spending history. We begin by employing multiple regression techniques, as is standard in the literature. Yet multiple regression is not always technically well-suited to analyzing contextual arguments, such as those of the institutional politics theory. Hence, to further examine these theoretical arguments, we employ qualitative comparative analysis (QCA) — a method explicitly designed to assess contextual arguments (Ragin 1987). In the QCA analyses, we use previously untapped data on state federations of labor to create an indicator of labor's political resources.

THEORIES OF PUBLIC SPENDING AND THE INSTITUTIONAL POLITICS THEORY

The academic literature on the politics of social policy is often subject to divisive debates between proponents of institutional theories and political theories. Institutional arguments frequently have been successful in explaining the origins of public spending policies prior to World War II; by contrast, political arguments have proved superior in explaining differences in social spending efforts across rich, capitalist democracies since World War II (Amenta 1993). Yet strictly institutional arguments discount the autonomous role of political actors in influencing policy, whereas strictly political arguments ignore the possibility that these actors will have varied impacts, depending on the setting. What follows is a synthesis that encompasses institutional conditions that shape public spending policy and political actors that demand it (see also Esping-Andersen 1990; Hage, Hanneman & Gargan 1989; Hicks & Misra 1993; Huber et al. 1993; Orloff 1993; Pampel & Williamson 1988; Skocpol 1992). The institutional politics theory identifies and combines conditions and actors that have proved important both in cross-national analyses and in research specifically on the U.S.

"Institutional" Politics: The Importance of Political Contexts

A central point of institutional theories is that institutional contexts influence social spending developments. Of particular importance are characteristics of political systems. Most institutional theorists focus on the centralization or fragmentation of political authority as being key to explaining public policy outcomes. Fragmented political authority provides interest groups with great influence over politics and with the ability to deflect social spending initiatives, whereas centralized authority does the opposite (e.g., Steinmo 1993). Political fragmentation also prevents small legislative majorities for reform from enacting major social spending programs (Huber et al. 1993). In federal systems, local policies may diverge from national ones. Political fragmentation may also inhibit the ability of groups like workers and other pro-spending actors to organize themselves and coordinate their bids to influence state policy (see also Amenta, Carruthers & Zylan 1992; Skocpol 1992; Steinmo 1993).

The institutional politics theory also maintains that other contextual conditions affect social politics. First, greater democracy in political processes promotes redistributive social spending policies. Following Key (1949) and Marshall (1963), we argue that the prevalence of democratic procedures in political decision making will stimulate public social spending programs. Greater democracy in representative systems provides greater voice to those at the lower end of the economic spectrum and encourages politicians to heed that voice. Where democratic rights are lacking, in contrast, there will be little electoral reason for politicians to support programs to aid the poor. Moreover, it will be exceedingly difficult for pro-spending mass movements to organize themselves in such polities. Specifically, we expect that an undemocratic political system — characterized by highly restricted voting rights and a lack of choices between parties — discourages both public spending and pro-spending social movements. But even if such spending movements coalesce in undemocratic polities, they are unlikely to achieve their goals — without first effecting basic improvements in democratic practices. There is some comparative evidence for these claims. Flora and Alber (1981) argue that the extension of the suffrage in the parliamentary democracies of Europe led to the adoption of social insurance programs. Similarly, other researchers find that to explain social program adoption by 1929 among liberal democracies, "full democracy" is a necessary condition (Hicks, Misra & Ng 1995).

A second important institutional condition is the nature of the party systems. Parties can be arrayed along a continuum from pure patronage — the distribution of individualized benefits such as government jobs — to programmatic — providing collective benefits to large groups, such as public social spending programs. Owing to the conditions of their creation, some political party systems, such as Italy's, became more concerned with patronage, and others, such as Germany's, with programs (Shefter 1977). We expect that the leaders of patronage-oriented parties will have an interest in deflecting programmatic policy innovations such as social insurance and categorical public relief. As Mayhew (1986) has argued, these leaders are inclined to avoid programmatic benefits because automatic spending reduces the degrees of fiscal freedom for patronage. We also expect patronage-oriented parties to regard state-oriented social movements as menacing contenders for political power. For these reasons, we expect that programmatic or open party systems will provide greater opportunities for social spending programs and pro-social spending actors to flourish.

Moreover, the institutional politics theory holds that state administrators and their policy-making abilities can have an impact on public spending policy. As Orloff and Skocpol (1984) have argued, domestic bureaucracies often structure what is possible in social spending policy and can be powerful advocates for social policy change (Heclo 1974). Domestic bureaucrats are especially powerful advocates if they are unburdened by constraining loyalties to political parties or economic interest groups (see Skocpol 1985). Like these scholars, we expect that domestic state bureaucrats will try to advance and fulfill the spending mission of their bureaus, agencies, or departments by devising proposals, lobbying for legislative change, or supporting groups with similar goals. Yet we expect these bureaucrats to be effective only if they have wide authority and administrative experience. Also, we expect them to be effective only in conducive political settings — in democratic political systems and non-patronage-party systems. In an undemocratic political system, politicians may devote little attention to social politics regardless of what bureaucrats do. In a patronage-oriented party system politicians will tend to undermine domestic bureaucracies by appointing unqualified party loyalists to them.

Institutional "Politics": Party Regimes and Organized Challengers

There are two main political theories of public social provision. The most prominent explanation of postwar public spending among rich, capitalist democracies is the social democratic model or power-resources theory (e.g., Esping-Andersen & van Kersbergen 1992; Korpi 1989; Stephens 1979). This theory holds that the tenure in office of left-wing political parties connected to centralized labor unions promotes redistributive public social provision. The social democratic model expects U.S. public social provision to be negligible, because America has no social democratic political party. Political theories similar to the social democratic model consider the U.S. Democratic party to be a "center" party (see Castles & Mair 1984; Hicks & Swank 1992), whose rule is expected to provoke moderate spending increases. A related argument suggests that political protest (e.g., Hicks & Misra 1993; Piven & Cloward 1977) and protest movements promote public social spending. This route to social spending increases may be particularly suited to polities without social democratic parties (see Myles 1989).

Like the political theorists, we expect that representatives of reform-oriented parties will be important proponents for public spending. We expect public spending gains when Democratic parties or radical third-parties take power or form regimes, but we do not treat all Democrats alike. Before the New Deal the Democrats as a party had not closely allied themselves with pro-spending groups or with public social spending. Also, we expect only those Democrats outside the nondemocratic South to promote social spending. Regardless of the ideology of the national party, Democratic politicians in undemocratic polities will be unlikely proponents of pro-spending policies, since they will see little political payoff in them. Democratic politicians in patronage-oriented organizations are expected to have divided loyalties — to the programs of the national party and to patronage needs. For these reasons we expect Democratic politicians to be more effective in democratic political systems than in patronage-dominated ones. In short, the institutional politics theory expects some, but not all, Democratic regimes to promote social spending.

In our institutional politics theory, we also posit an alternate route to social spending gains, based on collective action of challengers. We suggest that social movements may advance public spending under two conditions: if the polity's structure is conducive and if the movement has a great following and has established a political presence for itself (see also Amenta et al. 1992). By a political presence, we mean devoting significant resources and efforts to influencing elections or legislation, or both. By establishing such political presences, insurgent movements and third parties that fail to gain power might prevent Democrats in patronage party organizations from defecting from the pro-spending line of the national party or win over the occasional representative from the opposition party. Democratic representatives in undemocratic settings may sometimes support spending proposals for similar reasons, but this is less likely. We expect that politically powerful social movements might form a functional equivalent of a reform-oriented regime at the state level. However, challengers will have a more limited impact than such regimes, affecting only those issues with which the challenger is directly concerned, not the entire gamut of social spending policy.

In summary, the institutional politics theory holds that structural contexts provided by state political institutions and party systems are crucial to explaining public social provision. These institutional contexts directly influence the possibilities for social spending by influencing the motivations of politicians. These contexts also influence the mobilization of organized groups in favor of public spending policy. Like state-centered arguments, the institutional politics theory holds that state bureaucrats in domestic agencies promote social spending. Like political theories, however, the institutional politics theory sees reform-oriented regimes as central forces behind public spending. The theory also expects that direct social movement action can provoke public spending in areas of interest. Yet the political context will have an impact on the efforts of pro-spending actors.

INSTITUTIONAL POLITICS AND THE U.S. POLITY

According to the theory U.S. politics and political parties have differed from European ones in ways that influence the prospects of public social provision. American political institutions were fragmented at birth, characterized simultaneously by a weak national executive, divided functions, and early democratic procedures (Huntington 1968). Legislative powers were divided among the executive, legislative, and judicial branches of government, and the resulting conflicts were also replicated in each state, each with its own claim on social policy. Because the U.S. political system is nonparliamentary, each representative in the national or state legislature can break with the party. As most institutional theories argue, there is a multifaceted fragmentation of political authority in America. Partly for that reason, state-level polities differed greatly in institutional and political ways that may matter for social spending policies.

Undemocratic Politics, Patronage Parties, and Uneven Administrative Reform

The American polity had become a "democratic laggard" by 1930, having fallen behind other representative democracies in the extension of voting rights, but this condition was not uniform countrywide. By the end of the nineteenth century the eleven former states of the Confederacy had restricted suffrage of

African Americans by means of poll taxes and violence (Kousser 1974). In the South's rotten boroughs, almost all blacks — and many poor whites — were denied the vote. In general, the South's poorest residents were denied civil rights and political citizenship. In addition, most southern House members and state legislators ran unopposed in Democratic primaries — where most southern political conflict took place (Key 1949). In the South state Democratic parties, backed by a dominant planter class, also viewed generous social spending policies as a threat to the system of labor control (Quadagno 1988).

Other states were dominated by patronage-oriented political parties. Dating from the late nineteenth century, these parties were more concerned with gaining power and maintaining their organizations through individualized benefits to campaign workers and other supporters than with enacting programmatic benefits. Although members of the Progressive movement fought these organizations in the early twentieth century, they succeeded only in parts of the West and Northwest where patronage parties had not fully taken hold (Shefter 1983). As a result, there were at least thirteen states, mainly situated in the Northeast and Midwest, where these patronage party organizations flourished throughout the twentieth century — organizations whose leaders would not be likely to support social spending without countervailing inducements (Mayhew 1986).

The administrative infrastructure to run U.S. social spending programs was also underdeveloped in the early twentieth century. State bureaucracies in control of public spending policies were not typically required to employ civil service or "merit" standards in recruitment and thus were often staffed by the unqualified (Orloff 1993; Skowronek 1982). American political regimes in favor of expanded social spending programs had to build these capacities, often a lengthy and contested process. For these reasons there have been wide variations in U.S. state capacities across the country and over time. As the 1930s approached, 15 states had industrial commissions with vast powers over labor regulatory laws and workmen's compensation — the only major social spending program in existence throughout the U.S. (Brandeis 1935). The others did not, and some states had no workmen's compensation program to administer.

Political Parties, Organized Labor, and State-Oriented Challengers

Democrats sponsored and supported the breakthrough social spending legislation of Roosevelt, notably the second New Deal of 1935, which produced the Social Security Act and the Works Progress Administration. The most radical wing of the party was associated with the president in being elected during his tenure (see Burns 1956). Roosevelt attempted to employ the electorate's ill-will towards the Republicans, blamed as they were for the Depression, to form a kind of "responsible party system" and dominate electoral politics. The national Democratic strategy was to provide programs for large groups of citizens, especially workers, and build bureaucracies along professional lines to run them (Shefter 1978). The Democratic party, however, did not change overnight and remained a fragmented assortment of ideologically divergent organizations. For example, in the primaries of 1938, the president sought, unsuccessfully, to "purge" anti-New Deal Democrats (Leuchtenburg 1963), most of whom were from the South. The administration also engaged in battles with Democrats from northern, patronage-oriented party systems. These included the struggles over the administration of Old-Age Assistance between the Ohio governor Martin Davey and the Social Security Board (Altmeyer 1966) and over relief appropriations between the Federal Emergency Relief Administration and the Illinois governor Henry Horner (Hopkins 1936). In contrast, other important proponents of social spending were radical "third" parties — such as the Wisconsin Progressive and the Minnesota Farmer Labor parties (Valelly 1989), which controlled state governments in the 1930s.

Other sorts of mass-based organizations sought to influence state spending policies. Long before the New Deal, state-level federations of labor had supported social spending policies (Amenta et al. 1987; Fink 1973; Nelson 1969; Orloff 1993; Taft 1968; Witte 1961). The American Federation of Labor joined in support of old-age pensions in 1929 and state-level unemployment insurance in 1932 (Nelson 1969). Afterwards, labor mainly supported New Deal social spending initiatives (Witte 1961), but was concerned that WPA wages would not undercut private wages (Charles 1963; Macmahon, Millett & Ogden 1941). The 1935 National Labor Relations Act, which protected and enforced fair labor practices and collective bargaining, cemented the Democratic-labor alliance, which culminated in unprecedented labor contributions of money and manpower to the party (Greenstone 1969). Although contributions from organized labor were minimal in 1932, in 1936 unions gave approximately $770,000 to Democratic campaign organizations (Overacker 1937). The most prominent contributor was the United Mine Workers of John L. Lewis, who led the newly formed Congress of Industrial Organizations (U.S. Senate Special Committee to Investigate Campaign Expenditures 1937). Labor's contributions contrasted with the heavily pro-Republican efforts of capitalists (Allen 1991). Because of conducive state policies and dramatic strikes, union members jumped from three million or 11.3% of the nonagricultural labor force in 1933 to about nine million or 28.6% in 1939 (U.S. Bureau of the Census 1975). All the same, organized labor remained unevenly distributed across industries and across the country (Derber 1961; Troy & Sheflin 1985).

Seeking to influence the New Deal from the outside were social movements representing groups ranging from veterans to unemployed workers to the aged. One important national challenger was the Share Our Wealth Society, inaugurated in 1934. Led by Senator Huey P. Long of Louisiana, Share Our Wealth sought economic redistribution through taxes on the rich and social spending for the poor (Brinkley 1982). Perhaps as many as seven million joined the society at its peak in 1935, but it met its demise soon after its leader was assassinated that summer. A longer-lasting challenge was the so-called Townsend Movement of the aged, which began in California in 1934 and spread eastward. Demanding $200 per month for everyone 60 years and older, the Townsendites included in their ranks more than a million of the aged by 1936 (Holtzman 1963). Fanning out unevenly across the country, the movement sustained its activities into the 1940s. In that decade it began to demand improvements in state-level Old-Age Assistance programs (Amenta et al. 1992).

According to the institutional politics theory we expect these structural conditions and actors to have an impact on public spending policies. The theory expects, too, that political contexts will shape what is possible for pro-spending actors to accomplish. Because our analyses here are focused on the states of the Union, however, we cannot examine variation in the fragmentation of political authority — the focus of many institutional theories — for that was constant across the states.

LOGIC AND MEASURES

An analysis of public social provision across the American states provides a rich opportunity to assess the institutional politics theory, because individual states had great influence over New Deal spending programs. The 1935 Social Security Act created only one *national* spending program, mainly issuing incentives for states to pass their own legislation. Under national programs like the Works Progress Administration, states could also influence benefit levels. In addition, states differed substantially on variables central to the institutional politics theory. Structural conditions varied greatly — conditions such as the extensiveness of democratic political rights, the degree to which patronage parties dominated politics, and administrative capacities in social policy. So did short-term political conditions such as unionization and protest activity. This variation and the number of cases permits us to appraise these arguments in a relatively rigorous fashion.

Measuring the Dependent and Independent Variables

We focus on two programs over which states had influence. Policies for the aged constitute the largest component of social spending (Myles 1989), and Old-Age Assistance (OAA) provided the most contentious and expensive issue in state-level social policy (e.g., Cates 1983). This grant-in-aid program, Title I of the Social Security Act, was the program in which Congress was most interested (Witte 1963). The national law left key issues of generosity and eligibility to the states — which paid half the costs. Enacted in all states by 1939, OAA constituted the primary method of addressing economic dependence in old age until the 1950s. By contrast, old-age insurance, the program known today as "social security," did not pay benefits until 1940 — and only to those few who qualified — and was of secondary fiscal importance until the 1950s. For Old-Age Assistance we measure the *average size of the OAA pension* in 1941 (U.S. Social Security Board 1942), a measure that gives an indication of the relative generosity of states. In addition we create an *OAA pension quality index* based on generosity and the percentage of those 65 and older who received pensions, an indicator of coverage that varied by state (U.S. Social Security Board 1942).[1]

Work relief through the Works Progress Administration (WPA) was the main way the state aided the unemployed in the Depression, and the WPA constituted the largest spending program of the New Deal. In 1939, some 2.3 million workers were on the rolls of the WPA, which accounted for about 42% of national social spending and 1.7% of GNP (U.S. Bureau of the Census 1975; U.S. National Resources Planning Board Committee on Long-Range Work and

Relief Policies 1942). The WPA was nationally funded, but states and localities, among other entities, devised projects and their requirements and thus influenced wages under the program (Howard 1943). For this reason, we examine *WPA wages per worker* (Federal Works Agency 1943), a measure of generosity. The WPA was designed to provide an alternative to wage labor (Howard 1943) and thus may count as "decommodifying" — reducing the power of the market over workers (Esping-Andersen 1990). In some states, OAA was taking on a similar purpose, constituting a reasonable alternative to wage labor for the aged (e.g., Cates 1983; Putnam 1970).

We examine the institutional aspects of the theory with three measures. We expect that nondemocratic political systems, characterized notably by restrictions on the franchise, will produce weak public spending programs. The *voting rights* measure is the natural logarithm of the percentage of eligible voters voting in the 1932 presidential election (U.S. Bureau of the Census 1975). We employ the natural logarithm because we are more concerned with differences between low and moderate voting levels than with differences between moderate and high levels of voting. The latter differences are more likely to refer to voter enthusiasm than to the ability to vote. In addition, we expect the organization and ideology of strong patronage political parties to discourage categorical public spending (Mayhew 1986; Shefter 1983). The strength of *patronage party organizations* ranges from a high of 5 in states where such organizations predominated to a low of 1, where such organizations had little control over nominating procedures (see Mayhew 1986). We also expect the structure of state bureaucracies and the power of those in them to influence public spending. To measure *administrative strength,* we score 1 for each year until 1929 that the labor commissioner had rule-making authority in the administration of safety laws (Brandeis 1935). The executive bureaucracies of some states had been revamped during the Progressive era, and this measure captures a key goal of bureaucratic reformers. These commissions also typically had oversight power over workmen's compensation — the only major social insurance program in existence throughout the U.S. before the Depression (Weiss 1935). We expect this measure to have a positive effect.

Using the theory we also expect political groups to influence public spending. Notable among these are *Democratic and third-party regimes.* States governed by Democratic or radical third parties for four years or more during the 1930s are scored 1; others 0 (see Hansen 1983). We also examine the influence on public spending of three pro-spending challengers. The strength of organized labor is operationalized, as is customary, with a measure of *union density.* This measure takes union members in 1939 as a share of the nonagricultural employed in 1940 (Troy & Sheflin 1985:7-3; U.S. Bureau of Census 1948). We employ this measure for OAA as well as WPA outcomes, because unionization has been shown to have an impact on old-age pensions cross-nationally (e.g., Myles 1989), and unions supported the old-age policies of the Social Security Act. Another indicator measures the number of *Townsend clubs per capita,* circa 1940 (Holtzman 1963:50-51; U.S. Bureau of the Census 1975). Because this organization constituted the largest national political group pressing for increased old-age pensions, we confine this measure to the analyses of OAA pension outcomes. For the WPA spending outcome, we also employ a

TABLE 1: A Correlation Matrix of Independent Measures

	Correlations					
	Voting	Patronage	Administration	Democr./ Third	Union Density	Townsend
Voting rights	1.0000	.1679	.3027	-.3605	.4433*	.2827
Patronage party orgs.	.1679	1.0000	-.1276	-.2552	.1586	-.2842
Administrative strength	.3027	-.1276	1.0000	-.1828	.4494*	.0430
Democratic/third parties	-.3605	-.2552	-.1828	1.0000	.0592	.0627
Union density	.4433*	.1586	.4494*	.0592	1.0000	.1600
Townsend clubs per capita	.2827	-.2842	.0430	.0627	.1600	1.0000
Share Our Wealth	-.1302	-.1261	.0486	.2199	.0861	.1237
Income per capita	.5362**	.4195*	.3346	-.5668**	.3330	.0221
Unemployment	.3410	.2962	.2112	-.1804	.4223*	-.0509
Agricultural labor force	-.5034**	-.5063**	-.3077	.4828**	-.3813*	.0731

	Correlations			
	Share Our Wealth	Income	Unemployment	Agricul. Labor
Voting rights	-.1302	.5362**	.3410	-.5034**
Patronage party orgs.	-.1261	.4195*	.2962	-.5063**
Administrative strengths	.0486	.3346	.2112	-.3077
Democratic/third parties	.2199	-.5668**	-.1804	.4828**
Union density	.0861	.3330	.4223*	-.3813*
Townsend	.1237	.0221	-.0509	.0731
Share Our Wealth	1.0000	-.1342	.1214	.2016
Income per capita	-.1342	1.0000	.4887**	-.8305**
Unemployment	.1214	.4887**	1.0000	-.6101**
Agricultural labor force	.2016	-.8305**	-.6101**	1.0000

(N = 48)

* $p < .01$ ** $p < .001$ (two-tailed)

measure of the support for Huey P. Long, leader of *Share Our Wealth,* a group that favored a radical redistribution of income and sought support among the unemployed. Based on the Democratic National Committee's secret poll of 1935 this measure is Long's vote as a share of all votes. (Amenta, Dunleavy & Young 1995; Brinkley 1982; Hurja 1935). Each of the above measures is expected to have a positive effect.

In the regression analyses we employ as a control measure *per capita income* in 1940 (U.S. Bureau of the Census 1975). Most measures of social spending "efforts" take into account the income level of the state or country. This measure indicates how much states could afford, as well as wage levels. By the same reasoning, we employ the *agricultural labor force* as a share of the total labor force (U.S. Bureau of the Census 1948). This measure is expected to have

TABLE 2: Three Estimates of Old-Age Assistance Average Pension, 1941

	Institutional Indicators	Political Indicators	Final Model
Independent measures			
Voting rights	.309**	—	.314**
	(3.12)		(3.22)
Patronage party organization	-.259**	—	-.242**
	(-2.56)		(-2.56)
Administrative powers	.302**	—	.308**
	(3.24)		(3.36)
Democratic/third party regimes	—	-.018	—
		(-.13)	
Per capita townsend clubs, 1940	—	.192*	—
		(1.73)	
Union density, 1939	—	.211+	—
		(1.65)	
Control variables			
Income per capita	.343*	.465*	.394**
	(2.25)	(2.24)	(3.43)
Unemployment	.153+	.132	.174*
	(1.49)	(.94)	(1.84)
Agricultural employment	-.087	-.041	—
	(-.51)	(-.19)	
N	48	48	48
Adjusted R^2 .687	.466	.692	
F	18.17	7.83	22.15

[a] Coefficients are standardized. T statistics are in parentheses. For definitions of measures, see text.

+ $p < .10$ * $p < .05$ ** $p < .01$

a negative effect. We also control for the potential impact of economic crises, by examining the rate of *unemployment* from 1930 to 1933 (U.S. Social Security Board 1937), the low point of the Depression. It is expected that the higher the unemployment the greater the spending. A correlation matrix of independent measures appears in Table 1.

MULTIPLE REGRESSION ANALYSES

We employ parallel procedures for each of the three outcome measures — OAA pension average, OAA pension quality, and the average WPA wage. We first generate a model estimating the effects of institutional characteristics and then a model estimating the effects of political actors. As is customary, we do so in an additive fashion. To generate the third model, we begin by including measures that added to the explained variance and were in hypothesized directions in the first two regressions. Then we use backwards stepwise procedures to eliminate measures that do not make a significant contribution to the explained variance. Tables 2, 3, and 4 present the results of the initial ordinary least squares (OLS) regression analyses.

In the case of average OAA pensions, institutional factors strongly explain variation across the states. As Table 2 shows, pension spending is significantly influenced by voting rights and by administrative powers. Also as expected, the domination of patronage parties significantly lowers average OAA payments. With the control measures, this model explains approximately 69% of state-level variance in average OAA pension size. The short-term political measures perform moderately well in the analysis of average OAA pensions. With the control variables, these indicators explain 47% of the variance, and the individual coefficients of both Townsend club membership and union density are significant and positive, as expected. However, the Townsend and unionization measures do not survive into the final model, generated by the stepwise elimination procedures described above. The results suggest that the mere organization of workers or of the aged does not influence spending independently of institutional factors.[2]

The results for the quality of Old-Age Assistance (see Table 3) largely confirm the results for average OAA pensions. As a whole, institutional factors explain approximately 33% of the variance, and all three coefficients are significant and in the expected direction. In contrast, political indicators explain only 14% of state level variation in the quality of OAA pensions. Of the short-term political factors, only the presence of a Democratic or third-party regime is significant. In the final model, this measure contributes significantly to explained variance over and above institutional conditions.

As for average WPA wages (see Table 4), the results are largely similar, with institutional conditions providing the best model. Each of the institutional measures is significant and in the proper direction. These measures and the controls explain 47% of the variance. Political and control measures, by contrast, explain about 33% of the variance. Only the union density measure adds to the adjusted explained variance, but it does not prove significant in the final model, where we control for institutional characteristics.[3]

In sum, the regression analyses lend support to the institutional politics theory. For each of the three dependent measures, the institutional measures are typically significant and in the proper directions. In contrast, the political measures and models did not perform as well. In some of the political models, Democratic or third party regimes, union density, and Townsend club membership provided significant increases in explained variance, but only in one case

TABLE 3: Three Estimates of Old-age Assistance: Pension Quality, 1941

	Institutional Indicators	Political Indicators	Final Model
Independent measures			
Voting rights	.266**	—	.306**
	(1.84)		(2.38)
Patronage party organization	-.431***	—	-.421***
	(-2.91)		(-3.39)
Administrative powers	.247**	—	.243**
	(1.81)		(2.03)
Democratic or third party regimes	—	.328**	.433***
		(1.88)	(3.31)
Townsend clubs Per capita, 1940	—	.135	—
		(.96)	
Union density, 1939	—	.206	—
		(1.27)	
Control variables			
Income per capita	.036	.325	.253*
	(0.16)	(1.23)	(1.51)
Unemployment	.255**	.175	.183*
	(1.69)	(0.99)	(1.46)
Agricultural employment	.048	.158	—
	(0.19)	(0.58)	
N	48	48	48
Adjusted R^2	.332	.140	.473
F	4.89	2.28	8.02

[a] Coefficients are standardized. T statistics are in parentheses. For definitions of measures, see text.

+ $p < .10$ ** $p < .05$ *** $p < .01$

did a political measure — Democratic or third-party regimes for the OAA index — significantly add to the variance explained by institutional measures.

Additive multiple regression analysis, however, can go only so far in assessing the institutional politics theory. That is because the theory maintains that combinations of characteristics — the presence of powerful political actors in favorable institutional settings — will produce pro-spending outcomes. The theory also holds that there is more than one route to gains in social spending. For instance, we would expect Democratic regimes or social movements to have an impact only in specific institutional circumstances. Such effects imply three-way interactions of variables. Yet because of technical problems — lack of

TABLE 4: Three Estimates of Average WPA Wage, 1940

	Institutional Indicators	Political Indicators	Final Model
Independent measures			
Voting rights	.286*	—	.286*
	(2.22)		(2.22)
Patronage party organization	-.213+	—	-.213+
	(-1.61)		(-1.61)
Administrative powers	.217*	—	— .217*
	(1.78)		(1.78)
Democratic or third party regimes	—	—	.089
			(.57)
Union density, 1939	—	—	.235+
			(1.67)
Share our wealth	—	—	.059
			(.45)
Control variables			
Per capita income	.275+	.465*	.275+
	(1.38)	(2.00)	(1.38)
Unemployment	.503**	.426**	.503**
	(3.72)	(2.61)	(3.72)
Agricultural employment	.295+	.337+	.295+
	(1.32)	(1.35)	(1.32)
N	48	48	48
Adjusted R^2	.466	7.83	.330
F	4.85	.466	7.83

[a] Coefficients are standardized. T statistics are in parentheses. For definitions of measures, see text.

+ $p < .10$ * $p < .05$ ** $p < .01$

degrees of freedom and multicollinearity — it is difficult to estimate models with all of the relevant interaction terms. Our experiments in calculating such three-way interactions and estimating models with them produced high intercorrelation among independent measures and results with disturbingly high multicollinearity condition numbers and thus difficult to interpret (not shown).

We were able to estimate some regression models with two-way interactions. Specifically we created an interaction term that multiplied the Democratic or third party measure by a measure that scored 1 if the state was not a former member of the Confederacy (a proxy for voting rights). We also created an interaction term that multiplied the union density measure by the discretized voting rights measure. For each of the dependent measures, we estimated a model including the institutional measures, the union density and Democratic or third party measure, the unemployment, and per capita income measures. To save a degree of freedom, we omitted the agricultural employment measure (results not shown). We then entered the two interaction terms, employing an F test to see whether as a group they significantly added to the explained variance. For the average OAA pension dependent measure, the interaction terms added .031 to the R^2, and the F test for the interaction terms provided a significance level of .089. For the OAA pension index, the additional explained variance was .027, and the significance level was .294. For the WPA average wage, the additional explained variance was .050, and the significance level was .116. In each case the coefficient for the interaction term was in the proper direction.

In short, these results provide some suggestive evidence in support of the interactive effects suggested by the theory. In the following we assess the theory using qualitative comparative analysis (QCA), which employs an idea of causality for which multicollinearity is not problematic.

QUALITATIVE COMPARATIVE ANALYSES

Qualitative comparative analysis (QCA) constitutes a method and technique designed to appraise contextual or combinational causal arguments and assess causal heterogeneity. QCA is operationally simple. First, dependent and independent indicators are divided into dichotomies or trichotomies. These indicators are then arrayed in a "truth table" of ones and zeros — present or absent — or of ones and zeros and "don't care" or indeterminate cases that fall in the middle. One typically attempts to "solve" for the outcome of interest — the outcome that scores 1 — by reducing the combinations of independent measures by way of Boolean algebra, based on the logic of sets. The algorithms provide the most parsimonious logical expressions — the "prime implicants" — that are associated with the outcome of interest. For these reasons, the method lends itself to a discourse of necessary and sufficient conditions, rather than one of explained variance (Ragin 1987).

Below we use QCA to derive the determinants of high social spending for OAA and the WPA. The institutional politics theory expects that long-standing aspects of political institutions and party systems work as gatekeepers. The existence of voting rights is expected to be necessary to produce pro-spending outcomes. Similarly, a lack of strong patronage parties is expected, in most circumstances, to be necessary for high social spending. The 24 states in these structural political situations are expected to have the most generous social spending systems. A lack of voting rights is expected to discourage the emergence of social movements like the labor movement, and the entrenchment of patronage political organizations is expected to deter though not prevent social movements and administrative authority.

Even when structural conditions are favorable, however, we do not expect social spending will be generous in the absence of strong pro-spending actors: especially, Democratic or third party regimes or empowered state administrators. Because labor has promoted social spending especially as it concerns workers, we also expect that a strong labor movement might form a kind of functional equivalent to a reform-oriented regime or to empowered bureaucrats. We expect the impact of the labor movement, however, to be limited to the program that most concerns it — the WPA. Although we expect labor and other movements to be hindered in patronage-party settings, when combined with a Democratic or third party regime or with empowered administrators, a strong labor movement might nevertheless produce high spending in states where patronage parties dominate.

Preparations for Qualitative Comparative Analysis

To use QCA with interval measures, researchers must divide them into nominal indicators. This procedure is simple for the main institutional features of the polity. To determine whether states had *voting rights,* we inspected the previous discussed measure. A natural break in the data between the eleven former states of the Confederacy and the others provides an easily understood measure. Similarly, Mayhew's (1986) indicator of *patronage party organization* varies from 1 to 5, but only one state, Louisiana, scores three, leaving all other states at or near the extremes. We treat states scoring below Louisiana as having open or non-patronage-party systems. The 15 states that had industrial commissions with rule-making powers in labor safety issues by 1929 are scored positive on *administrative powers;* the rest 0. The measure of *Democratic or third party regimes* is already a nominal measure. Finally, we also include a new labor movement indicator. This measure incorporates two aspects of the labor movement. The first is sheer organization, measured, as above, by union density. The second, however, reflects labor's political resource mobilization at the state level. This measure, culled from convention proceedings from each state, is the income of the state federation of labor from 1938 through 1940 as a percentage of the nonagricultural labor force — the same denominator used for union density.[4] States scoring high in *both* organization and spending for the state federation of labor score 1 on our measure of *labor movement strength.*

To collapse the interval indicators for spending into nominal categories we first examined standardized residuals from the regressions of OAA and WPA spending per person on the control measure per capita income. These residuals indicate whether a state was spending more or less than its income would predict. Next, we separate high spending from low spending states and from those in between by standardizing and winsorizing the dependent measures (see Ragin 1994). This procedure yields 16 states with generous OAA pensions, 17 states with ungenerous ones, and the rest falling somewhere in the middle. The cases falling in the middle were treated as "don't care" cases for the purposes of QCA. For WPA spending, 20 states count as generous and 12 as ungenerous, the rest as "don't cares." For the purpose of analysis we report the results derived from treating nonexistent cases as unlikely to produce a generous social spending outcome. To check the robustness of the results, we compare these results with those generated by treating the nonexistent cases as "don't cares" (Ragin 1995).

TABLE 5: Nonexistent Combinations in the U.S. Polity: Five-Measure Results

voting * *LABOR MOVEMENT* +
voting * democratic/third +
PATRONAGE * *ADMINISTRATIVE POWERS* * *LABOR MOVEMENT* +
PATRONAGE * *ADMINISTRATIVE POWERS* * *DEMOCRATIC/THIRD* +
administrative powers * democratic/third * *LABOR MOVEMENT*

[a] A measure in all capitals indicates its presence; a measure in lower case indicates its absence. An asterisk indicates *and*; a plus sign indicates *or*.

In QCA, one must also make decisions about "contradictory rows" — a particular combination of independent characteristics sometimes resulting in high spending and sometimes in low spending. One way to handle contradictions is to reduce the combinations indicating all positive and contradictory outcomes, thus ascertaining the solution for the conditions under which a positive outcome was *possible*. This decision, however, is likely to be too permissive. A more plausible way to handle contradictions is to reduce only the positive combinations and to ignore the contradictory ones in order to uncover the prime implicants for the combinations for which the outcome in question was *certain*. We place the most stock in the "certain" results and in results employing a third method: recoding contradictions to their main tendencies. This method, a statistical amendment to the deterministic logic inhering in Boolean methods, indicates the solution for the conditions under which a positive outcome was *likely* (see discussions in Amenta et al. 1992; Ragin 1987; Ragin 1995). We produce the results for each of these three situations.

Below we place our theoretical expectations for social spending in terms of QCA notation. A measure in all capitals indicates its presence; a measure in lower case indicates its absence. An asterisk indicates the logical operator *and*; a plus sign indicates the logical operator *or*. We expect the following two combinations of institutional and political circumstances to predict high OAA pensions: *VOTING* * patronage * (*ADMINISTRATIVE POWERS* + *DEMOCRATIC/THIRD*). This reads as follows: States with voting rights and without patronage-oriented parties and with strong administrative powers are expected to produce high OAA pensions. *Or* states with voting rights and without patronage-oriented parties and with Democratic or third-party regimes are expected to produce high OAA pensions.

Because we expect the labor movement to have an impact on the WPA, we expect five combinations to predict high WPA wages:

VOTING * patronage * (*ADMINISTRATIVE POWERS* + *DEMOCRATIC/THIRD* + *LABOR MOVEMENT*) + *VOTING* * ([*DEMOCRATIC/THIRD* * *LABOR MOVEMENT*] + [*ADMINISTRATIVE POWERS* * *LABOR MOVEMENT*]).

The Configuration of the U.S. Polity and the Prerequisites of Social Spending

We have expectations about the causes of social spending, but also about the way the U.S. polity is structured. QCA can identify which combinations of characteristics do and do not exist in the polity. Although the five independent measures discussed above imply $2^5 = 32$ possible combinations, only 13 combinations appear in the American polity. Table 5 presents the prime implicants of the combinations that do *not* appear. Notably, there was no strong labor movement where voting rights did not also exist. Similarly, in patronage party states, there was no strong labor movement without a Democratic or third party regime in the 1930s. There was no strong labor movement unless a third party regime or a strong administrative authority was present. These results support our expectations about the structural influences on pro-spending movements.

Our initial analyses of the social spending outcomes employ only the four main indicators of the institutional politics theory. The initial, four-measure results for high OAA pensions support our theoretical expectations. The "certain" results locate two prime implicant terms or combinations associated with high OAA pensions (see Table 6). In each term voting rights and the absence of patronage parties were necessary conditions for high OAA pensions. The results indicate that, in the structural context described above, empowered administrators *or* left-center regimes provided high OAA spending — exactly as expected. The results are robust. There are only two contradictory truth table outcomes, and because neither contains more "1" than "0" outcomes, the "likely" results are the same as the "certain" results.[5] Moreover, treating the nonexistent cases as "don't cares" produces the same prime implicants.

The initial results for high WPA spending also sustain the institutional politics theory (see Table 7), though less thoroughly. The truth table contains six contradictory combinations and only two positive combinations. Thus the "possible" solution is very inclusive, and the "certain" solution is very restrictive. The "likely" solution, generated by recoding two of the contradictory rows to positive outcomes, provides the most plausible results in this instance.[6] The two terms in the likely solution indicate that voting rights is a necessary condition, but that the absence of patronage parties is not. One combination not predicted is present: *VOTING * PATRONAGE * DEMOCRATIC/THIRD ** administrative powers. However, this latter combination scores positive on the basis of one high-WPA spending case (Indiana) and four "don't care" cases (Illinois, Kentucky, Missouri, West Virginia).

Next we add the labor movement measure into the analyses, employing all of the same operations as before. For the OAA spending outcome, the labor movement indicator does not add much to the explanatory picture. It appears in only the nonrestrictive "possible" results, in which two prime implicant terms specify its absence (see Table 8). In the "certain" and "likely" results, the prime implicants are the same expected ones as in the four-measure analyses. This is not entirely unexpected, as OAA was not the major social spending concern of labor.

TABLE 6: Four-measure QCA Results for High OAA Pensions

Possible	*HIGH OAA AVERAGE PENSIONS* = *VOTING* * *ADMINISTRATIVE POWERS* * democratic/third + *VOTING* * patronage
Certain	*HIGH OAA AVERAGE PENSIONS* = *VOTING* * patronage * *ADMINISTRATIVE POWERS* + *VOTING* * patronage * *DEMOCRATIC/THIRD*
Likely	*HIGH OAA AVERAGE PENSIONS* = *VOTING* * patronage * *ADMINISTRATIVE POWERS* + *VOTING* * patronage * *DEMOCRATIC/THIRD*

[a] All results treat nonexistent combinations as not expected to produce high pensions (zero terms). "Possible" means that positive and contradictory combinations are analyzed. "Certain" means that only positive combinations are analyzed. "Likely" means that only positive combinations are analyzed, after contradictions are resolved into their main tendencies (see text). A measure in all capitals indicates its presence; a measure in lower case indicates its absence. An asterisk indicates *and*; a plus sign indicates *or*.

For the WPA spending outcome, however, the labor movement measure has a positive impact — as expected. Because of the many contradictory combinations, six of them, the "possible" results are not revealing. There are five positive combinations, however, when the labor movement measure is included in the truth table, making the "certain" results easier to interpret. Each of the three prime implicants in the "certain" results includes voting rights, a necessary condition. In two terms, a lack of patronage parties is connected to high WPA spending. The presence of Democratic/third party regimes is also implicated in two solutions, as is the presence of a strong labor movement. One solution does not require the absence of patronage parties, but includes the presence of both a Democratic/third party regime and a strong labor movement, plus the absence of administrative powers. This suggests that a favorable regime and a strong labor movement might provide high WPA spending even in a patronage party setting. The "likely" results, however, were the same as the four-measure results.[7]

In short, the QCA results provide strong support for the institutional politics theory. For high OAA spending, the results were exactly as expected: voting rights *and* the absence of patronage parties are necessary, and either a Democratic/third party regime *or* administrative powers are necessary. The existence of voting rights proves necessary in all results, and the absence of patronage parties is implicated in most solutions. The initial solutions for high WPA spending are somewhat similar to those for OAA spending. Further analyses for WPA spending yield two solutions for the "certain" results that

TABLE 7: Four-measure QCA Results for High WPA Wages

Possible *HIGH WPA WAGES* =

VOTING * patronage +
VOTING * administrative powers +
VOTING * democratic/third +
patronage * administrative powers * *DEMOCRATIC/THIRD*

Certain *HIGH WPA WAGES* =

VOTING * patronage * *ADMINISTRATIVE POWERS* * *DEMOCRATIC/THIRD* +
VOTING * *PATRONAGE* * administrative powers * *DEMOCRATIC/THIRD*

Likely *HIGH WPA WAGES* =

VOTING * patronage * *ADMINISTRATIVE POWERS* +
VOTING * administrative powers * *DEMOCRATIC/THIRD*

[a] All results treat nonexistent combinations as not expected to produce high pensions (zero terms). "Possible" means that positive and contradictory combinations are analyzed. "Certain" means that only positive combinations are analyzed. "Likely" means that only positive combinations are analyzed, after contradictions are resolved into their main tendencies (see text). A measure in all capitals indicates its presence; a measure in lower case indicates its absence. An asterisk indicates *and*; a plus sign indicates *or*.

include a well-organized and politically strong labor movement. In one of these solutions the absence of a patronage party system is not implied, suggesting that prosocial spending actors can prevail in such unfriendly structural settings.

Conclusion

This study has implications first for debates about the early years of modern U.S. public spending policy. We suggest a redefinition of American public social provision. Backward in social spending in the 1920s, the U.S. created a new and modern system of public social provision in the 1930s. Much of this spending came through means-tested programs, notably the Works Progress Administration and Old-Age Assistance. Although these programs constituted new national responsibilities, they provided openings for individual states and localities to shape their implementation, leading to disparities.

More important, these analyses address debates about the explanations of modern public social provision. Theories of public social provision should be able to explain why some parts of the American polity produced relatively generous or extensive programs. We find that the spatial distribution of U.S. public social provision at the end of the 1930s corresponds to the expectations of the institutional politics theory, which combines structural institutional conditions and the efforts of pro-spending actors.

TABLE 8: Five-measure QCA Results for High OAA Pensions

Possible *HIGH OAA AVERAGE PENSIONS* =

VOTING * patronage * *DEMOCRATIC/THIRD* +
VOTING * patronage * *ADMINISTRATIVE POWERS* +
VOTING * patronage * labor movement +
VOTING * *ADMINISTRATIVE POWERS* * democratic/third * labor movement +
VOTING * patronage

Certain *HIGH OAA AVERAGE PENSIONS* =

VOTING * patronage * *ADMINISTRATIVE POWERS* +
VOTING * patronage * *DEMOCRATIC/THIRD*

Likely *HIGH OAA AVERAGE PENSIONS* =

VOTING * patronage * *ADMINISTRATIVE POWERS* +
VOTING * patronage * *DEMOCRATIC/THIRD*

[a] All results treat nonexistent combinations as not expected to produce high pensions (zero terms). "Possible" means that positive and contradictory combinations are analyzed. "Certain" means that only positive combinations are analyzed. "Likely" means that only positive combinations are analyzed, after contradictions are resolved into their main tendencies (see text). A measure in all capitals indicates its presence; a measure in lower case indicates its absence. An asterisk indicates *and*; a plus sign indicates *or*.

One basic institutional condition was the sheer fragmentation of political authority, which hindered the efforts of New Dealers to induce local polities to embrace national policies. At least as important was the deficient and uneven democratization of the American polity. Basic political rights such as free assembly and voting were being denied throughout the South. In this area, local Democrats had little need or desire to follow the policy proposals of the national party, and labor and other movements were more likely to be ignored or repressed, partly because their opponents did not fear electoral reprisals. After World War II, when Western Europe was completing welfare states (Flora & Alber 1981), U.S. social policy advocates were impeded by America's incomplete democratization. Moreover, even in the democratic North proponents of public spending often had to contend with patronage-oriented party leaders who saw programmatic spending as a threat to maintaining their organizations. The fragmentation of the U.S. polity provided these politicians with the opportunity to thwart social spending. Additive multiple regression analyses and QCA suggest that voting rights and patronage parties influenced public spending across the states.

The spatial distribution of U.S. social spending also corresponds to a key cause — the role of center or left-wing regimes — implicated in political theories of public social spending. U.S. public social provision saw gains in

TABLE 9: Five-measure QCA Results for High WPA Wages

Possible *HIGH WPA WAGES* =

VOTING * patronage * *ADMINISTRATIVE POWERS* +
VOTING * administrative powers * *DEMOCRATIC/THIRD* +
VOTING * democratic/third * labor movement +
patronage * administrative powers * *DEMOCRATIC/THIRD* * labor movement

Certain *HIGH WPA WAGES* =

VOTING * patronage * *DEMOCRATIC/THIRD* * *LABOR MOVEMENT* +
VOTING * administrative powers * *DEMOCRATIC/THIRD* * *LABOR MOVEMENT*
VOTING * patronage * *ADMINISTRATIVE POWERS* * labor movement

Likely *HIGH WPA WAGES* =

VOTING * patronage * *ADMINISTRATIVE POWERS* +
VOTING * administrative powers * *DEMOCRATIC/THIRD*

[a] All results treat nonexistent combinations as not expected to produce high pensions (zero terms). "Possible" means that positive and contradictory combinations are analyzed. "Certain" means that only positive combinations are analyzed. "Likely" means that only positive combinations are analyzed, after contradictions are resolved into their main tendencies (see text). A measure in all capitals indicates its presence; a measure in lower case indicates its absence. An asterisk indicates *and;* a plus sign indicates *or.*

states where reform-oriented parties gained power in a period when the Democratic party had cemented an alliance with organized labor. The QCA results bring out these effects, suggesting these regimes increased social spending — for OAA pensions and the WPA — only in democratic political systems and non-patronage-party systems. Moreover, the QCA analyses show that the size and political resources of organized labor influence social spending. Yet the impact of labor is limited to the outcome over which it was most concerned — the WPA. State reformers and policy experts also propel public social provision, as the quantitative results indicated. In states of the Union where administrators had powers for long periods of time, social spending programs were more generous. The QCA results suggest that empowered state actors — in structurally conducive settings — constitute an alternate way to win generous social spending.

These results also speak to issues of methodology. Standard practice in quantitative social spending research is to employ additive multiple regression to appraise new theoretical propositions. That practice means ascertaining how much variance new variables are able to explain, as compared to the variance explained by previous variables. Yet recent theoretical thinking has suggested that social spending outcomes are due to complex interactions of institutional, political, and sometimes economic variables. Because of multicollinearity and losses of degrees of freedom — significant difficulties in research with typically small numbers of cases — these interactions are sometimes ignored. Qualitative comparative analysis offers a solution (e.g., Amenta et al. 1992; Hicks et al. 1995; Ragin 1994). It embraces an epistemology suited to appraising and discussing contextual claims, compels clear thinking about combinational causal arguments, and provides a hypothesis-testing function. Multiple regression has some hypothesis-testing advantages over QCA. Compared to the probabilistic logic of multiple regression, QCA is deterministic. QCA results also become difficult to interpret as more variables are added (Amenta & Poulsen 1994). Future research should doubtless combine these methods and use each where appropriate.

The results are also limited in ways that are worth noting. Although the WPA and OAA were key programs, we examined only two U.S. spending programs at the end of the New Deal. Future work is needed to apply the theory to other programs and to devise measures to address other variations, such as spending differences between countries. The findings suggest that the fragmented structure of the Democratic party would influence social spending developments at the national level. Subsequent research might examine the impact of institutional politics on the adoption of new spending programs over time. Finally, cross-sectional analyses are static and do not address dynamic causes of adopting new programs and increases in spending (Griffin 1992). Although the data requirements for this at the state-level or cross-nationally are daunting, research at the national level might address such issues.

All in all, our arguments and results parallel current findings in cross-national and historical research on public social provision. Recent research on the spending efforts of postwar capitalist democracies indicates that Catholic parties, under specific conditions, might perform a role similar to that of labor parties in promoting some forms of social spending (Huber et al. 1993). Those results correspond to the conditional impact of Democratic party regimes on public social provision that we have uncovered. Other research has indicated that the impact of the collective action of workers and other groups on public spending is mediated by factors such as the polity and economic circumstances (Amenta et al. 1992; Hicks & Misra 1993). Future researchers will make the greatest strides by continuing to examine the interaction of institutional and political determinants.

Notes

1. The minimum was 11% of those 65 years of age and older, and the maximum was 54%, with 27% constituting the average and 11% the standard deviation. Because OAA was means-tested, however, it is difficult to assess who was eligible for it; statistics on incomes of the aged are not available.

2. The union density measure is moderately correlated with some of the institutional measures, as expected by the theory (.44 with voting rights, .16 with patronage party organization, .45 with administrative powers). Similarly, per capita Townsend clubs is correlated .28 with voting rights, -.28 with patronage party organization, and .04 with administrative powers.

3. We ran a number of diagnostics on these final models, ascertaining whether they violated certain assumptions standard to OLS about the error term. These diagnostics included testing the models for the presence of significant spatial autocorrelation and heteroskedasticity and, if

necessary, correcting or adjusting for these problems using the SPACESTAT (V1.03, R17) program (Anselin 1993). Significant spatial autocorrelation might have a substantive interpretation, for states may not have acted independently, as the OLS model assumes, but may have been influenced by neighbors (see Doreian 1980). For the model of OAA generosity, we found some evidence of indicated significant spatial error correlation through Moran's I (see Anselin 1993, chap. 26). We corrected for this employing a spatial error model, and the coefficient for the spatial error term lambda is significant and positive (results not shown, but available on request). The results are otherwise not much from different from the unadjusted OLS results of Table 3. The only coefficient notably affected is for patronage party organization, which falls short of significance at the .10 level. A similar problem detected for the model explaining the OAA pension index was addressed in with a spatial lag model, as indicated by the Lagrange Multiplier. Although the coefficient for the spatially lagged dependent measures was significant and positive, the corrected results are otherwise similar to the standard OLS results, though the coefficient for the voting rights measure falls just short of significance (not shown, available). The model for WPA spending also indicated significant spatial error correlation through Moran's I. We corrected for this employing a spatial error model and the coefficient for the spatial error term lambda was significant and positive (results not shown, but available on request). Other coefficient estimates, however, were not much affected. The substantive difference was that the coefficient for the patronage party measure falls slightly below significance at the .10 level, and coefficients for two of the control measures were also insignificant. In short, the OLS results in the final models of tables 3, 4, and 5 are flawed in different ways, but correcting for these flaws does not lead to any major differences in substantive interpretation — save for the impact of patronage party organizations, whose coefficient was insignificant in two of the three corrected models.

4. We examined the available annual or biannual proceedings of each state federation of labor. We did not gain complete coverage, however, because states with weak labor movements often did not keep good records. Thus there were several missing cases, making this measure of limited use in multiple regression analyses. Yet there were good data available for all of the states with even moderately high union density, and so we were able to construct an indicator for use with QCA.

5. One contradictory combination is *VOTING* * patronage * administrative powers * democratic/third (positive: Kansas; negative: Michigan, Vermont; don't care: Maine). The other is *VOTING* * *PATRONAGE* * *ADMINISTRATIVE POWERS* * democratic/third (positive: Pennsylvania; negative: Maryland; don't care: New York, Ohio).

6. Each of these contradictions include three or more positive cases, but only one negative case. One of these contradictory combinations recoded to positive is VOTING * patronage * ADMINISTRATIVE POWERS * democratic third (positive: California, Nebraska, Oregon; negative: Nevada; don't care: none). The other is *VOTING* * patronage * administrative powers * *DEMOCRATIC/ THIRD* (positive: Iowa, Minnesota, New Mexico, South Dakota; negative: Oklahoma; don't care: Wyoming).

7. Two contradictory combinations are recoded to positive. The first is *VOTING* * patronage * *ADMINISTRATIVE POWERS* * democratic/third * *LABOR MOVEMENT* (positive: California, Oregon; negative: Nevada; don't care: none). The second is *VOTING* * patronage * administrative powers * *DEMOCRATIC/THIRD* * labor movement (positive: New Mexico, South Dakota; negative: Oklahoma).

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