

Who Gets What?

The New Politics of Insecurity

Edited by

FRANCES ROSENBLUTH

Yale University

MARGARET WEIR

Brown University



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I I

The Peculiar Politics of American Insecurity

Jacob S. Hacker and Paul Pierson

The last generation has witnessed a dramatic rise in the economic insecurity of American workers and their families. Although recent concern has centered on the prospect of widespread job losses due to automation and artificial intelligence, these tides have yet to be fully felt. Instead, the main story of the past three decades is what one of us has called the “Great Risk Shift” (Hacker 2008, 2019) – the shift of risk from the broad shoulders of government and corporations onto the fragile backs of workers and their families.

This change has not brought mass joblessness, though some segments of the workforce (particularly white male workers without a college degree) have experienced declining employment prospects. But it has brought mass insecurity, with risks once faced mainly by the working poor steadily creeping up the income ladder to reach all but the best-off Americans. Amid the COVID-19 pandemic, the shift of risk onto American households rapidly accelerated, with tens of millions of workers losing their jobs – and often their employment-based health benefits, as well. Meanwhile, those who worked in face-to-face settings confronted an intensified set of health and safety risks – risks that many state workers’ compensations programs did not cover and that conservative political leaders insisted should not be borne by employers.

The growing insecurity of American households is often seen as an exogenous economic change beyond political control – a result of deep shifts in technology, finance, and the global economy. In this chapter, we argue that as important as these exogenous changes have been, the Great Risk Shift is to a very large extent a result of endogenous political and policy developments. Moreover, we suggest that many, though certainly

not all, of these developments are specific to the United States – which is why both the politics and the experience of American insecurity stand out in cross-national perspective.

In particular, we focus on three fundamental developments: (1) the erosion of America’s distinctive framework of social provision, which is uniquely reliant on private risk pooling by employers – risk pooling that has become less and less attractive to American business in a financialized, globalized economy with weak labor power; (2) the weakness of social solidarity and resonance of racial (rather than class) appeals in our increasingly geographically, racially, and politically polarized society; and (3) the growing extremism of the Republican Party, enabled and propelled by its capacity to maintain (at least until now) an uneasy “plutocratic-populist” coalition of upscale economic conservatives and downscale social conservatives. Understanding these three developments – the retrenchment of private provision, the resurgent impact of racial resentment, and the radicalization of the GOP – is essential to grasping not just how America insecurity arose but also whether it might yet be addressed.

THE GREAT RISK SHIFT

To understand the Great Risk Shift, we must first understand America’s distinctive framework of social protection. As Thelen and Wiedemann (Chapter 12, this volume) show, the United States stands out for the high levels of risk uncushioned by social policy. Unique among rich democracies, the United States fostered a social contract based on stable long-term employment and widespread provision of private workplace benefits. As Figure 11.1 shows, our government framework of social protection is indeed smaller than those found in other rich countries. Yet, when we factor in tax levels and include private health and retirement benefits – mostly voluntary, but highly subsidized through the tax code – the United States has an overall system that is similar in size to that of other rich countries. The difference is that America’s hybrid system is distinctively private (Hacker 2002; Howard 2007).

This framework, however, is coming undone. The unions that once negotiated and defended private benefits have lost tremendous ground. Meanwhile, the pressures on corporations from global competition, technological change, and impatient financial markets have greatly intensified. Partly for these reasons, employers face strong incentives to reduce the burdens they took on during more stable economic times. At the same

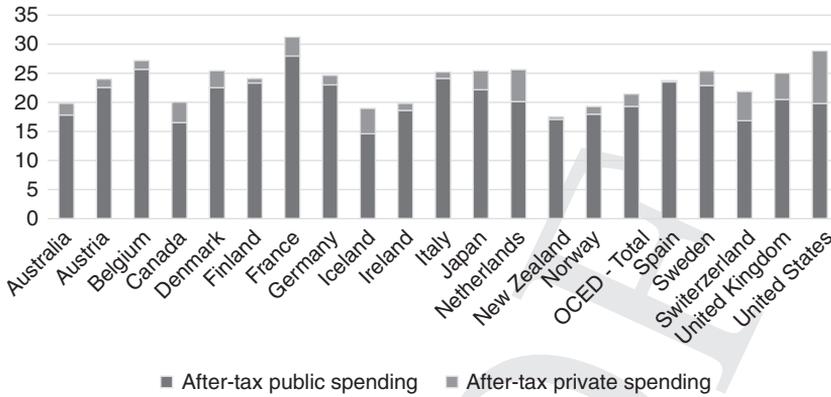


FIGURE 11.1 Public and private social protection spending by country
Source: Jacob S. Hacker, “The Great Risk Shift That Helped Deliver Donald Trump,” *Talking Points Memo*, 24, October 2018, <https://talkingpointsmemo.com/feature/the-great-risk-shift-that-helped-deliver-donald-trump>. Data: Organisation for Economic Co-operation and Development. Graphic: Christine Frapech/TPM.

time, they no longer place as much value on the long-term relationships with workers that these arrangements reflected and fostered.

To be sure, not all firms have faced intensified competition. Many sectors – from health care to retail trade to technology – have instead seen concentration and consolidation. Indeed, economists have found strong tendencies toward both monopsony (one buyer, many sellers) and monopoly (one seller, many buyers) in a wide range of product and labor markets (CEA 2016; Grullon 2019). And yet these trends, too, have mostly pushed toward greater insecurity. Alongside declining unions, the increase in the monopsony power of employers appears to be an important reason for the persistent wage stagnation of recent decades (Naidu and Posner 2018). In other sectors, monopoly power has increased prices or dependence on particular sellers. In the tech industry, for example, the biggest players – Apple, Google, Facebook, Amazon – can leverage their huge networks of locked-in users and the near-zero cost of expanding those networks to destroy or acquire potential competitors (Kahn 2016).

Perhaps because of the prominence of these companies, recent commentary about the changing labor market has focused on the digital revolution – and, in particular, on online employment platforms, such as the transportation application Uber and piecework sites like Task Rabbit and Amazon’s Mechanical Turk. Yet online employment represents a miniscule share of the total employment picture: about 0.5 percent of all

workers, according to a 2015 survey (Katz and Krueger 2016). The significance of these new platforms does not lie in their prevalence, or at least not yet. Rather, it reflects the extent to which they exemplify a long-term move away from traditional career patterns and job structures toward a more unstable set of arrangements in which workers change jobs frequently, pay and benefits vary greatly from worker to worker and firm to firm, and reciprocal loyalty between employers and employees is limited.

The essence of this new set of arrangements is not the particular form that work takes, or how exactly it is managed, but rather the locus of risk in the employment relationship. Put simply, American employers have ceased to pool risks as consistently or durably as they once did. Median job tenure is down, particularly for younger workers. The prevalence of employer-employee arrangements that imply little in the way of reciprocal obligations – and, with them, individualized assessment and “incentive” pay – are up. To use a domestic analogy, workers and employers used to be more or less stably married. Now, they are cohabitating for comparatively brief periods of time, and sometimes not even that.

The shift has been most pronounced for industrial workers with limited formal education: once fairly well protected from the economy’s vagaries, they now find their options limited, fueling the decline of small towns and resentment of blue-collar workers that have contributed to America’s peculiar variant of right-wing populism. Yet even those who are better poised to profit in today’s postindustrial economy face heightened insecurities. Workers and their families need to invest more and more in education to earn a middle-class living. Even so, in an economy marked by huge differentials in pay and benefits between high-end professional work and low-end service employment, these costly investments are no guarantee of a high, stable, or upward-sloping path (Hacker 2019).

Moreover, the workplace is not the only site of heightened insecurity. Americans are also at greater risk because of changes in the role and character of families. Although median wages have essentially remained flat over the past generation, median-income families have seen stronger income growth (Boushey and Vaghul 2016). The whole of this rise is because women are working many more hours outside the home than they once did. Indeed, without the increased work hours and pay of women, median family incomes would have *fallen* over the past generation. As a result, families with two earners now rely on continuous work by both partners to maintain a middle-class standard of living. This heightens the potential for disruption when they need to take time off to

care for children, parents, or themselves; when they face unexpected expenses; or when their partnerships end in divorce or separation. Of course, many of these risks are even greater for the substantial minority of parents who are raising children on their own (Iversen and Rosenbluth 2011).

In all these ways, the new world of work and family has undermined key pillars of the more secure economy of the mid-twentieth century. The decline of more stable forms of employment and changes in the family have directly increased the risks facing American households. At the same time, they have gravely undermined America's unique employment-based system of social benefits, which places primary responsibility for health insurance and family policies like childcare and paid leave, as well as secondary responsibility for retirement savings, in the hands of employers.

At the lower end of the labor market, generous benefits have all but disappeared. In firms where they have not, they have shifted more risk onto workers (as in defined-contribution pension plans). And even in sectors where private benefits remain strong, they can be legally denied to workers classified as temporary or contingent or employed through subcontracting arrangements. Frequently, such workers are also ineligible for key public protections tied to work, such as unemployment insurance, because legal definitions of workers – so crucial to the ability to get both public and private benefits – remain tied to a traditional employment model that is less and less common (Hacker 2019).

Of course, policy makers could have responded to these changes by shoring up existing programs of economic security. However, at the same time that the corporate world turned away from an older model of employment, the political world turned away from a long-standing approach to insecurity known as “social insurance.” The premise of social insurance is that widespread economic risks can be dealt with effectively only through institutions that spread their costs across differing income, age, and risk classes. The idea is most associated with Franklin Roosevelt, but from the 1930s well into the 1970s private insurance companies and unionized corporations promoted it, too. During this era of rising economic security, both public and private policy makers assumed that a dynamic capitalist economy required a basic foundation of protection against economic risks.

That changed during the economic and political turmoil of the late 1970s. With the economy becoming markedly more unequal and conservatives gaining political ground, many policy elites began to emphasize a different credo, one premised on the belief that social insurance was too

costly and inefficient and that individuals should be given “more skin in the game” so they could manage and minimize risks on their own. Instead of a guaranteed benefit from Social Security, for example, workers should have individualized retirement accounts regulated by the government. Instead of providing public insurance, Medicaid and Medicare should be less generous and rely on individual private plans. Instead of pooling risks, in short, government should privatize them.

To be sure, actual retrenchment of public social protections has proved limited (Pierson 1994; Hacker and Pierson 2018). Indeed, there have been important expansions of government insurance, as occurred in 2010 with the passage of the Affordable Care Act. As important as these policy departures have been, however, they have not halted the shift of risk. In most domains, policies have not kept pace with changing circumstances, leaving workers and their families to deal with heightened risks on their own. This policy “drift,” in turn, has reflected vigorous efforts by employers and conservatives to push back against the updating of these laws in the face of rising insecurity as well as to undermine existing protections (Hacker et al. 2015). To explain why these efforts have been successful, we must first understand why there has been such limited voter pressure on elected officials to repair America’s tattered safety net.

“SECOND-DIMENSION” POLITICS

The failure of public officials to respond to rising insecurity poses two intertwined puzzles. The first is why changes as consequential as those just discussed have not led to larger shifts in effective voter *demand* for policy updating. The second is why there has been so little elite effort to *supply* such updating.

Among students of American politics, these two questions are often seen as synonymous – no demand, no supply. Yet a growing body of research suggests that the actions and agendas of elected representatives often depart greatly from the preferences and priorities of their constituents (Gilens 2012; Gilens and Page 2014; Bartels 2016). To make assessments of representation even more complex, elite communications and organized structures of participation – such as interest groups and party organizations – can profoundly shape how citizens come to understand issues, as well as how, whether, and when their views come to shape policy development.

Still, it is worth thinking separately about issues of demand and supply – without assuming the former drive the latter or treating public preferences

as independent of political contestation. The relative quiescence of Americans in the face of rising economic insecurity does pose a puzzle, one that is cast in sharp light by the growing body of research on how citizens react to major economic shocks. A consistent finding of this work is that those who experience such shocks become more supportive of public policies designed to address them (Hacker et al. 2013; Margalit 2013). Nor are these effects small; in some studies, a life-altering economic loss has effects that are comparable to the difference in attitudes between Republicans and Democrats (Hacker et al. 2013). Since the likelihood of these shocks has increased, it would be natural to assume that public support for new policies providing economic security has too.

Natural, but wrong: public preferences have not shifted markedly over the past generation. While support for most existing social policies remains high, public views about *new* policies show little consistent trend. Instead, public opinion exhibits two main features: heightened partisan polarization and highly conditional support. That is, Republicans and Democrats disagree more about contested social policies than in the past, and both Republicans and Democrats appear less trusting of the capacity of government to successfully carry out large-scale policies (Pew 2012; Kuziemko et al. 2015). Although polarization may not influence average levels of support, it implies much more intense opposition to the expansion of public social protections. Meanwhile, widespread distrust of government makes *all* citizens less willing to believe that even clearly recognized problems will be effectively dealt with by new policy measures.

These barriers are compounded by differences in political engagement and participation. For example, behavioral research suggests that those experiencing economic insecurity withdraw politically relative to their more secure fellow citizens (e.g., Marx 2016), in part, as Adam Seth Levine (2015) has argued, because appeals that emphasize insecurity are “self-undermining” – reminding people of their time and resource constraints. What’s more, while all Americans have faced heightened insecurity, the effects have been most pronounced among less affluent Americans, who are both less likely to participate in politics and less likely to see their preferences reflected in policy.

In addition – and this is what we focus on in the remainder of this section – an enormous amount of evidence indicates that voters’ perceptions of public protections are highly racialized (e.g., Tesler 2012; Gilens 1999). Although long-standing, this racialization has become more consequential because of the heightened need for an affirmative government

response to rising insecurity and because of changes in the position and character of the two parties. In this section, we focus mostly on the electoral dimensions of this change; in the next section, we turn to the dynamics of “asymmetric” elite polarization that we believe provide the primary explanation both for these electoral dimensions and for the policy drift that has left Americans so insecure.

Race enters into the politics of social policy through at least two channels, what Woojin Lee and John Roemer (2006) call the “solidarity” and “policy bundling” effects. The solidarity effect is the simplest: people are less likely to trust and less willing to share risks with those whom they see as “the other” – in the case of white Americans, racial and ethnic minorities, including recent immigrant groups. There is an active debate about whether economic dislocations or racial animus are the fundamental explanation for voters’ support for ethnonationalist positions (see, e.g., Mutz 2018; Iversen and Soskice 2019). But this framing of the debate is far too stark: in the United States at least, racial animus and a sense of economic decline appear clearly linked through long-term processes of opinion formation. Perhaps more important, they have been linked by conservative political elites who have strong incentives to respond to economic grievances with racialized appeals (Tavits and Potter 2015).

We come, then, to the second process highlighted by Lee and Roemer, policy bundling. Policy bundling arises in the context of a competitive party system in which political elites can appeal to voters on the basis of their group identities rather than their material interests. In the American context, this might be called the “George Wallace” effect, after the racist populism Wallace successfully deployed in the 1968 election, winning five southern states and the allegiance of nearly 10 million (mostly less educated and affluent) voters despite the well-known barriers to third-party candidates in the United States (Kozak 2014). Though Wallace’s hard-edged racism was too hard for most GOP candidates, the themes he emphasized – particularly “law and order” and “states’ rights” – became a staple of GOP campaigns in the South, which gradually shifted from a one-party Democratic region into a Republican stronghold.

Of course, President Donald Trump doubled down on Wallace-style rhetoric in his successful 2016 campaign for the GOP nomination and then the U.S. presidency. But he did not invent the strategy of attracting less affluent voters with such “second-dimension” appeals (as opposed to the “first dimension” of economic and size-of-government issues). Since the realignment of the parties around race in the 1960s and 1970s and around social conservatism in the 1970s and 1980s, emphasizing

noneconomic wedge issues has always been an attractive approach for a party that includes business groups and affluent donors, on the one hand and less affluent white voters, on the other.

Despite the ongoing moderation of Americans' views on race, the incentives to deploy this strategy have increased over time. For one, rising inequality has sharpened the economic conflict between the upscale and downscale parts of the GOP coalition, making it harder to please "intense policy demanders" (Bawn et al. 2012) at the top without turning to the second dimension to appeal to GOP voters below the top. For another, as discussed in the next section, Republican political elites – who in theory could have moderated on economic issues in response to rising inequality – have forged a strong alliance with these intense policy demanders, especially highly organized elements of the business community and superrich donors (Hacker and Pierson 2016). This alliance is most apparent in the GOP's hard-right positions on taxation and regulation, which are generally unpopular even among Republican voters (Kuo and McCarty 2015). Thus, the rising economic standing and political power of GOP-allied corporate organizations and big donors have increased the party's incentives to emphasize the second dimension in the policy bundle offered to less affluent white voters.

Finally, and fatefully, the growing diversity of the electorate has made Republicans more reliant on precisely those less affluent voters. To counter the growing nonwhite share of the electorate – voters who lean strongly Democratic – Republicans have come to depend on outsized winning margins among white voters without a college degree (the so-called white working class). Among Republican-favorable segments of the electorate, these downscale white voters are at once the least supportive of conservative economic policies and the most prone to racial resentment, making second-dimension appeals with strong racial elements an effective strategy for increasing their allegiance to the GOP and their likelihood of turning out to vote.

Electoral geography is a key contributor to and enabler of this strategy. Over the past two decades, as Rodden (Chapter 6, this volume) notes, rural areas have grown more Republican and urban areas more Democratic. This has gone hand in hand with the growing concentration of prosperity and diversity in urban and coastal areas. The most affluent regions of the country are increasingly Democratic and racially and ethnically pluralistic; the most depressed are increasingly Republican and hostile to the changing face of the nation. While these areas are still overwhelmingly white, there is evidence that some have experienced

unusually large *increases* in low-skilled, nonwhite immigrants, albeit from a low base (Adamy and Overberg 2016; Mayda et al. 2018). Salient *changes* appear to be far more important than absolute levels in explaining backlash against demographic shifts (Hopkins 2010).

Of course, these trends are happening in many affluent democracies (Rodden 2019). America's electoral system, however, makes them both more attractive and more effective: the same geographic sorting that is creating a more isolated and disaffected GOP voting base is also giving Republicans a significant bonus in national electoral contests (Stephanopoulos and McGhee 2015). The unique American electoral system combines a Senate highly biased toward less populous states (a bias that partially carries over to the Electoral College, which decides the presidency) with single-member, winner-take-all districts. This system naturally rewards parties that are broadly distributed across large swaths of sparsely populated territory. It also makes it much easier for such parties to gerrymander districts to maximize their ability to translate votes into seats, especially because they are likely to control state governments (and hence redistricting) in less populous states. Increasingly, the party that fits this description is the GOP.

This Republican electoral edge has, ironically, heightened the party's audacity in pursuing upwardly redistributive policies that will be devastating in many of the areas of the country where Republican voting strength is greatest. Electoral insulation means that Republicans can adopt more extreme stances with less fear of backlash from moderate voters. Meanwhile, it increases their fear of primary challengers from their right flank as opposed to general-election opponents.

The conservative media bubble – another highly distinctive feature of the American context – has added to this insulation, fostering a GOP electorate that is motivated primarily by “negative” or “affective” partisanship (that is, hatred of the other side). This is a key reason why Trump won the support of the substantial share of Republicans who thought he was unqualified for the presidency; they could not bring themselves to vote for the Democratic Party. Many of the core Trump voters come from places prosperity has left behind. But he could not have won without the support of many suburban and upscale Republicans who were mainly motivated by negative partisanship.

Thus, geographic and media isolation have worked in tandem to intensify the opposition of the GOP base to government, the Democratic Party, and new social policies that can be portrayed as giveaways to racial and ethnic minorities. Recent scholarship on conservative media sources has

shown they are both highly influential and highly distinctive from both mainstream and liberal outlets (e.g., DellaVigna and Kaplan 2007; Arceneaux et al. 2016; Martin and Yurukoglu 2017; Roberts et al. 2018). Conservative media sources mostly rely on other conservative sources for amplification and verification; even the most liberal news outlets, by contrast, operate in an environment where their claims must relatively quickly confront the routines of fact-checking and commitment to nonpartisanship (not always observed, of course) of major media institutions.

Right-wing media is also driven by a distinctive business model that rests heavily on discrediting alternative sources of expertise and emphasizing conspiratorial and oppositional thinking – often with strong themes of racial and cultural backlash, as evidenced, for example, by Fox News’s fixation on an “invasion” of immigrants across the Southern border in the run-up to the 2018 midterms. These characteristics have further facilitated the emphasis on the second dimension by GOP candidates and officeholders.

The key to this strategy is a continual ratcheting up of racialized anti-government appeals. These appeals, however, carry long-term risks. They not only threaten Republicans’ electoral support beyond their base; they also mobilize growing opposition to the GOP governing approach. It is this approach – and its consequences for economic insecurity – that are the focus of the next section.

ASYMMETRIC POLARIZATION

The dramatic polarization of political elites over the past generation has not been symmetrical (Hacker and Pierson 2015, 2016). Republicans have moved much further right than Democrats have moved left. This asymmetry can be seen not just in congressional voting patterns but also in the relative positions of presidential and vice-presidential nominees, as well as in the relative positions of each party’s judicial nominees. It can also be seen, to a lesser extent, in the polarization of state-level elected officials and when comparing the policy conservatism or liberalism of Republican “trifectas” (control of both houses of the state legislature as well as the governor’s office) and Democratic trifectas (Grumbach 2018).

Moreover, this asymmetry is apparent even when the focus is on the *absolute* rather than *relative* positions of elected officials. Most measures of polarization are effectively blind to shifts in the central tendencies of ideological conflict. If, for example, all politicians become more

supportive of free trade but still equally polarized regarding it, measures of polarization will miss this consistent shift. And, indeed, there have been such consistent shifts over the past generation, as discussed earlier: the 1970s and 1980s saw both parties moving to the right on issues of social insurance, with an increased emphasis on personal responsibility and individualized approaches to risk management.

But it is also possible to say that Republicans have moved *much* more to the right on these and related policy disputes – not just relative to Democrats but also in absolute terms (Hacker and Pierson 2016). Consider just two examples: health care and taxation. In the debate over President Bill Clinton’s health plan in 1993 and 1994, more than half of Senate Republicans backed a competing, market-oriented approach advocated by the Heritage Foundation. The Heritage blueprint later became the guiding vision for a health plan passed in Massachusetts with the support of GOP Governor Mitt Romney. Yet when these same principles became the template for President Obama’s health plan in 2009, every national Republican, including Romney, denounced it in the most apocalyptic terms. In 2017, Republicans came within a few votes of repealing core elements of the Affordable Care Act and dramatically scaling back Medicaid – a package that, had it passed, would have been the most substantial and regressive retrenchment in the history of U.S. social policy, far exceeding the 1996 welfare reform legislation in scope or impact (Hacker and Pierson 2018).

Similarly, the Republican Party once worked closely with Democrats to restrain the growth of federal health spending by using Medicare’s bargaining leverage to hold down provider charges. (In fact, Presidents Reagan and George H. W. Bush each spearheaded new payment controls, with substantial GOP support in Congress.) Beginning in the 1990s under House Speaker Newt Gingrich, Republicans renounced these once-bipartisan efforts to control costs within the health care industry. Instead, GOP leaders focused their proposals on cuts in benefits, even ones that would in practice have little impact on overall costs. They advocated turning Medicaid into a limited “block grant” to the states and proposed raising the eligibility age for Medicare and transforming it into a voucher-style system in which the federal government made a fixed contribution to the cost of private plans, shifting the risks of health spending from the federal government onto beneficiaries.

The Republicans have also turned right on issues related to taxes. Ronald Reagan agreed to raise taxes on numerous occasions, maintaining the established bipartisan formula for handling budget deficits: modestly

cut spending and moderately raise taxes. After 1990, however, Republicans refused to support *any* tax increases in budget packages. Indeed, they went further. On numerous occasions, they insisted that “deficit reduction” include (deficit-raising) tax cuts. At the same time, Republicans increasingly focused on tax cuts for the highest income groups: cuts in the estate, dividends, corporate, and capital gains taxes, as well as the top marginal income tax rate. Republicans’ focus on tax cuts for the affluent reached its apotheosis (to date at least) in the “Trump tax cuts” of 2017, which delivered more than 80 percent of their long-term benefits to the richest 1 percent of Americans (Tax Policy Center 2017). This distributional skew is all the more striking because opinion polls consistently indicate that voters’ biggest complaint about the tax system is that the rich did not pay their fair share (Pew Research Center 2015).

The Republican Party has moved toward the far right not just when you compare its current stances with its own past positions but also when you compare its current stances to the current stances of conservative parties in other rich democracies. Analyses based on systematic coding of the campaign platforms of leading parties (the “Manifestos Project”) show that the Republican Party is an outlier relative not just to center-right parties in other nations but in some cases to right-wing parties that place themselves well to the right of mainstream conservatives, too (Chinoy 2019).

These shifts in positions have made it exceedingly difficult to construct new social policies that attract bipartisan support. (In fact, the ACA passed without a single GOP vote in either house of Congress.) But ideological shifts have not been the only barrier to an effective response to heightened insecurity. In addition to moving right, Republicans have become much more confrontational – willing to use hardball tactics that while technically legal in most cases, had previously been shunned as uncivil or anti-democratic. Among the major examples of such “constitutional hardball” (Tushnet 2004; Fishkin and Pozen 2018), Republicans have led the way and deserve exclusive or primary responsibility for

- Routinized use of the filibuster to block virtually all initiatives of the majority party.
- Repeated government shutdowns.
- Resort to mid-decade reapportionments (which are traditionally done following the census counts that occur once every ten years) in order to gerrymander House seats.
- Systematic efforts to disenfranchise younger, lower-income, and non-white voters viewed as unlikely to support the GOP.

- Using the periodic raising of the authorized ceiling on federal debt (to finance spending *already appropriated* by Congress) to extract concessions from Democrats – in effect, taking the full faith and credit of the federal government hostage so as to ransom it for favored GOP policies.

The list is neither short nor are the items trivial. Together, they are what led veteran Congress watchers Thomas Mann and Norman Ornstein to call the GOP “an insurgent outlier in American politics” (Mann and Ornstein 2012, xiv).

The GOP is not just a conservative party, in other words. It increasingly displays characteristics of what comparative scholars call an “anti-system party” (Zulianello 2018) – one oriented not toward governing but toward making governing nearly impossible. Even when out of power in Congress or the White House, Republicans have been able to block most major initiatives to address economic insecurity since the mid-1990s, breaking norm after norm along the way. The revealing exception is the passage of the Affordable Care Act (ACA) in 2010 – which Republicans have successfully sought to undermine ever since, even though they have proved unable to repeal it outright.

Again, the effects of this confrontational strategy are limited where strong social policies are in place and protected against erosion by automatic updates (such as indexation to price levels). But it has proved much more consequential where policies require regular updating and especially where existing policies increasingly fall short because of changes in the world of work and family and the erosion of private benefits. In these highly important areas – ranging from wage and labor laws to health care, pension, and family leave policies – the Great Risk Shift has continued apace.

Finally, the GOP’s anti-system strategy is a key contributor to the unfavorable electoral and opinion dynamics discussed in the previous section. Given the lack of effective progress in addressing economic insecurity, GOP appeals to disaffected voters have emphasized racial resentment; the pathologies of government; and, above all, the tribal need for those living in the “real America” to band together to defeat the other side. Even before Trump’s rise, moreover, it was increasingly clear this strategy relied on continually escalating negative partisanship among an outraged voting base that Republicans elites had cultivated but, in many ways, could not fully control. In 2016, these party elites lost command altogether, and Donald Trump won the GOP nomination.

Once in office, however, Trump has largely gone along with Republicans' preexisting approach to domestic social policy. During his campaign, Trump defended core programs of the American welfare state and said he would restore economic security to regions devastated by deindustrialization and the rise of the knowledge economy, with its fundamentally urban orientation. In practice, however, his presidency has been even more focused on cutting taxes on the affluent and deregulating key sectors of the economy than the presidency of George W. Bush (2000–2008). The clearest example is the aforementioned 2017 tax cuts, but Trump has also pursued cutbacks in Medicaid and the ACA (through executive means after the failure of the GOP health care push in Congress) and called for radical retrenchment of almost all labor protections and safety-net policies, while conspicuously failing to follow up on repeated promises to fund job-creating infrastructure investments, lower health care costs, and provide support for family leave. Virtually all the policies that Trump and the GOP Congress have pursued are highly unpopular – even, in many cases, among strong GOP voters (Kuo and McCarty 2015; Clement et al. 2017; Hacker and Pierson 2018).

This gap between rhetoric and reality is not simply a reflection of Trump's erratic personality or the ambiguity of his core policy commitments. Instead, it is mostly a product of America's distinctive party dynamics and political system – the same factors, we have argued, that have militated against an effective response to rising insecurity. After all, Trump did not build his own party; instead, he took over a going concern. Nor, for the most part, is Trump able to achieve durable policy shifts on his own. Instead, America's separation of powers gives Congress a pivotal role in domestic lawmaking.

In other words, America's unusual political structure is a double-edged sword. It makes it easier (when combined with negative partisanship) for a right-wing populist to grab the presidency. But it does not give the president full authority to make policy. To achieve big changes, presidents must work with Congress.

For congressional Republicans in 2017, this meant embracing Trump, and all he represented, to advance long-sought legislative goals. For Trump, it meant deep-sixing the more economically populist aspects of his 2016 campaign, not that there was any sign he was eager to pursue them. Americans were greeted with the spectacle of Speaker of the House Paul Ryan – the architect of a string of extreme fiscal plans known as the “Ryan budget” – embracing a man he had once denounced as a racist (Alberta 2018).

Indeed, if another Republican had captured the presidency in 2016, the GOP agenda in Congress would probably not have looked radically different. Back in 2012, conservative activist Grover Norquist, head of the virulently anti-tax Americans for Tax Reform, described the key qualities a future GOP president needed to have:

We are not auditioning for fearless leader. We don't need a president to tell us in what direction to go. We know what direction to go. We want the Ryan budget. ... We just need a president to sign this stuff. We don't need someone to think it up or design it. The leadership now for the modern conservative movement for the next 20 years will be coming out of the House and the Senate. Pick a Republican with enough working digits to handle a pen to become president of the United States. ... His job is to be captain of the team, to sign the legislation that has already been prepared. (Quoted in Frum 2012)

Given the role of the filibuster and the unpopularity of Republicans' core priorities, the "team" and its "captain" have struggled to pass elements of their inegalitarian agenda. Despite the abnormality of his behavior and rhetoric, however, Trump as president has largely stuck to the Norquist script. Although the Republicans' health bill failed, the president and congressional Republicans achieved two of their biggest goals: a string of conservative judicial appointments that are certain to constrain state and federal efforts to address economic insecurity going forward, and massive tax cuts that directly worsen inequality and threaten future spending cuts. It was these achievements that led Senate Majority Leader Mitch McConnell, first elected in 1984, to say in September 2018, "If you want America to be a right of center nation, this last year-and-a-half has been the best year-and-a-half in my time in the Senate" (Donachie 2018). Needless to say, it has been far less sunny for those who would like the federal government to address the Great Risk Shift.

PROSPECTS FOR THE FUTURE

What then are the prospects for a more vigorous response to rising insecurity? This is a question of political economy, and it hinges on three broad factors: individual voter response, political organization, and the structure of the political economy. Without providing anything like a full answer, we offer final reflections with regard to each.

If the past generation has taught us anything, it is that voters' responses to economic insecurity are highly mediated by the structure of partisan conflict and the electoral system. Vigorous clarifying and mobilizing efforts by groups are particularly crucial if voters are to recognize their

economic interests and act on behalf of them. Here, however, the sharp decline of unions in the United States stands out as a major barrier to government responsiveness. Meanwhile, employers appear to have become *more* effective at mobilizing their workers in support of their aims, and they appear most effective when workers feel insecure (thus worrying that their job is vulnerable if they do not support the company line) (Hertel Fernandez 2018). More broadly, the imbalance between business groups, on the one hand, and labor and public interest groups, on the other, has become increasingly acute. Without serious efforts to rebuild groups representing workers and other diffuse constituencies, efforts to respond to rising insecurity are likely to be anemic, episodic, and vulnerable to backsliding.

Another barrier that must be confronted is the fragmented, veto-ridden structure of national authority and the degree to which it empowers those seeking to stop, rather than enable, government activity. As we have emphasized, the status quo bias of American political institutions – coupled with the asymmetric polarization of the parties – has made comprehensive national efforts to address insecurity all but impossible. We would add to this observation that because of this gridlock as well as the success of Republicans in confirming conservative judges, battles in the federal courts will be fundamental to future prospects. The failure to update the legal status of unions and workers, even as these laws have been interpreted in more and more constricted ways, has greatly compounded insecurity. Yet, bringing about such changes is very hard for political actors who lack durable organizations and high levels of expertise – attributes that business groups in particular have developed. Here again, advocates of policy updating will need to support laws and investments that facilitate the development and mobilization of organizations that can serve as a counterweight to narrow interests that are already well organized.

Finally, American federalism provides its own distinctive constraints – and some potential opportunities. Though federal law matters enormously, state policies have a large impact on economic security, too. Even so, state policy making advantages mobile employers, who can threaten exit if their interests are threatened. Moreover, employers have become adept at lobbying states. Witness the substantial influence of the American Legislative Exchange Council (ALEC), a pro-business lobby that has had considerable success at the state level (Hertel-Fernandez 2014) or Uber's impressive lobbying in key states.

In short, if durable reforms are challenging at the federal level because of polarization and gridlock, they are also challenging at the state level

because of the structural power of mobile employers and the increased lobbying prowess of employer organizations. The state fiscal crisis caused by the pandemic added another powerful barrier, since states lack the borrowing capacity of the federal government and virtually all have balanced-budget requirements. Still, states are likely to continue to diverge in their response to the great risk shift, as the number of Republican trifectas declines from its mid-2000s peak (again, trifectas are where both houses of the statehouse and the governor's office are in a single party's hands) and the number of Democratic trifectas increases. The result may well be a growing divergence *within* the political economy between "red" and "blue" states, with workers in blue America enjoying a modicum of security, while those in red America continue to bear the brunt of the Great Risk Shift.

As we write in August 2020, President Trump looks more vulnerable than any incumbent president since at least Jimmy Carter in 1980. His average approval rating has been lower than any first-term president in the history of modern polling, and the president's disastrous handling of the COVID-19 pandemic has only added to the headwinds he faces. Moreover, the Democratic Party is moving left on economic issues, driven by a combination of the anti-Trump wave, the enthusiasm of younger voters, and the growing diversity of the party's voters and elected officials. In the 2018 midterm elections, Democrats took the House in part because of their vigorous defense of the ACA and Medicaid, especially the ACA's protections for patients with preexisting health conditions. Democratic candidates also hammered their opponents for votes on key pieces of GOP legislation, bills that garnered the lowest public support of any seriously considered in the past quarter century (Hacker and Pierson 2018).

These signs raise the prospect that state and national policy making may shift toward a more robust response to rising insecurity in the future. As we have argued, the main barriers to such an agenda are not economic or fiscal; they are political and institutional. To succeed over the long term, those who seek greater security for American workers and their families will have to tackle directly the negative political dynamics showcased in this chapter.

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