Review essay

Race and the underdevelopment of the American welfare state

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Race matters, but how? As recently as a decade ago, scholarship on the structure and development of social policy in the United States tended, with a few exceptions (e.g., in the writings of Frances Fox Piven and Richard Cloward), to treat race as little more than a mediating factor between class or institutional factors, on the one hand, and welfare state outcomes on the other. In recent years, however, there has been an explosion of studies that place race at the center of analyses of the forces that have underdeveloped the American welfare state. The emerging field of race and welfare politics contains three distinct nodes: (1) historical analyses of the interaction between race and U.S. political institutions; (2) analyses of the class/race (or gender/race)
nexus, especially in regard to the political economy of the American South; and (3) analyses of the impact of racial attitudes and racism on political beliefs and policy preferences. Taken as a whole, the richness of the recent work, only some of which is discussed here, demonstrates the fundamental character of the “race” divide in trying to understand the nature of American exceptionalism with regard to social provision.

The basic issue is by now well-understood. The American “welfare state” – itself a contested term – is unique in three ways. First, it contains few universal social programs of the type found in Europe. Most famously, of course, the United States has no system of national health insurance, but it also lacks a “safety net” for those without work, and many other types of programs found elsewhere (such as maternal or child benefits, universal old-age pensions, and so forth). Second, it is a uniquely decentralized welfare state, with numerous programs operated entirely or in large measure at the discretion of state or even local governments, a trend accentuated by the 1996 welfare reform. Indeed, most national programs are not direct spending programs, but indirect programs funded through tax breaks of various kinds. Third, especially since the 1960s, the U.S. devotes a very high percentage of its (comparatively limited) anti-poverty expenditures on “opportunity” programs designed to give members of disadvantaged groups a better change of competing within the labor market, as opposed to direct income transfers.

Some of the conventional wisdom among social democratic intellectuals about these issues is represented in William Julius Wilson’s most recent book, based on a series of lectures first delivered at the University of California-Berkeley in 1996. For Wilson, the American welfare state has been hindered by white opposition to income transfer programs that appear to be “race-targeted.” The key to overcoming such opposition is to promote universal programs in which racial minorities or the poor in general are not viewed as the sole or prime beneficiaries. One particular favorite of Wilson’s is a massive public works jobs program, paying decent wages and providing full benefits for all those currently without work.

Calls for more universalism as a way of avoiding the race trap, and thus increasing the popularity of welfare state measures that would enhance the well-being of the poor, have become very common in recent years. Versions of the universalism agenda are promoted in the writings of, among others, Stanley Greenberg, Theda Skocpol, Michael
Tomasky, Thomas Edsall, and Todd Gitlin. Wilson’s own commitment to this idea is longstanding and not without influence. What is new in *The Bridge over the Racial Divide*, however, is an attempt to explicate more fully the political foundations for such programs. Wilson notes that rising inequality since the 1970s is harming whites as well as blacks, and increased insecurity provides an opening for a “broad-based” multiracial coalition in favor of social programs that would redistribute the fruits of the emerging global economy more widely. It would be impossible to miss the importance of this argument for Wilson, as in a scant 128 pages of text he repeats it no fewer than 21 times (pages 1, 4, 5, 8, 11, 12, 23, 39, 41, 43, 46, 66, 70, 74, 76, 77, 115, 117, 119, 122, and 128).

Aside from the embarrassing repetition, however, the book is also riddled with a remarkably facile understanding of both public opinion and the political difficulties of creating the kind of coalition Wilson envisions. It is both armchair sociology and armchair politics. Armchair sociology: results from statistical models presented in others’ work are discussed as if they were “facts.” A personal communication from a Harvard graduate student is cited as Wilson’s authority for one key point (p. 82). Always one step removed from any actual data, Wilson takes little notice of the complexities of whites’ views toward even explicitly race-targeted programs. Let’s consider one example of this. Martin Gilens notes, in *Why Americans Hate Welfare*, that race-targeted educational and vocational programs explicitly for racial minorities have broad popular support (for example, 66 percent of whites supported “educational programs to assist minorities in competing for college,” while 69 percent of whites favored “government financing for job training for minorities to help them get ahead in industries where they are underrepresented” in survey data reported by Gilens). It cannot be the simple fact of race-targeting that is the source of the problem. Further, while Wilson and other universalists note (correctly) that welfare programs such as AFDC (before its elimination in 1996) have been viewed by whites as primarily benefiting African Americans, he does not ask why. The puzzle here is that there always were more white AFDC recipients than blacks, and the program was not explicitly race-targeted. Wilson also does not systematically subject a race analysis to his own favored agenda. As long as African Americans are disproportionately poor, they will be disproportionately likely to consume benefits of any social program, including Wilson’s own proposed massive public sector jobs program. Why this would not undermine white support is never explained.
And armchair politics: the kind of broad multiracial coalition that Wilson envisions has been dreamed about for decades. The recipe for such a coalition always exists on paper, but is exceedingly problematic in practice. Indeed, Wilson’s formulation has striking parallels to 2nd International Marxism, which viewed the composition of the working class as consisting of all employed people and their families, and therefore, with 80 or 90 percent of the population having an “objective” interest in socialism, its triumph was inevitable. So too with Wilson’s broad-based coalition. Once white workers, and an increasingly insecure middle class, come to understand the logic of the emerging postindustrial global economy, we are told, they will surely find the basis for unity with minorities. But where? In a hypothetical third party? (Wilson himself seems to reject that possibility). Within the Democratic Party of Bill Clinton, Al Gore, and its corporate financiers? Within a shriveled (if newly energetic) labor movement? All of these practical issues – and the hard problems they raise – are simply avoided. Wilson’s paper coalition appears destined to remain little more than wishful thinking.

**Race and the origins of American welfare state institutions**

What about the more systematic scholarly examinations of the role of racial politics and the trajectory of the American welfare state? The most influential current approach to understanding the origins and trajectory of the American welfare state – most closely identified with the writings of Theda Skocpol – places political institutions at the center of the explanation. The main features of the relevant institutional structures in the United States include a fragmented political system, procedural rules in Congress requiring super-majorities to get legislation through, weak political parties, and an array of checks and balances creating many “veto points” that can be utilized by opponents of any particular social program. The constraints of these institutions influence actors’ political strategies and the policy outcomes they achieve. Skocpol’s student Robert Lieberman explicitly applies an institutional model to examining the impact of racial divisions on the growth and development of the American welfare state in *Shifting the Color Line*. Lieberman examines three contrasting welfare state programs from the 1930s to the 1960s: old age insurance, unemployment insurance, and Aid to Dependent Children (the forerunner to AFDC). Influential Southern Democrats fought to limit benefits to African Americans in all three domains, but their success varied according to the institutional design of each program. The old age insurance program developed
national standards that left Southern politicians with few opportunities to restrict benefits to blacks except to keep them out of the program altogether. They succeeded in this for awhile, as farm laborers and domestic workers (the occupational categories where most African Americans in the South were employed) were excluded until the 1950s. Once the Southern Democrats lost political leverage, however, they were no longer able to keep agricultural workers out of the program. Further, as a consequence of its national administration the old-age insurance program was race-neutral in its implementation. ADC provides a sharply contrasting case. Because of local administration, stemming from both the strong preferences of Southern Democrats and the legacies of past poor relief programs, African Americans received much lower benefits and were less likely to be eligible than race-neutral administration would have predicted. Unemployment insurance was an awkward hybrid that produced a middling outcome on the dimensions Lieberman emphasizes.

Lieberman's work is admirably clear and informative in spelling out the dimensions of program design and implementation of the three programs, and it demonstrates that the form of program administration contributed to the outcomes he seeks to explain. But Lieberman, like other historical institutionalists, assumes causal primacy for political institutions (albeit with the acknowledgment that racial politics influenced the initial program design). American political institutions were created at the founding of the Republic, and the constraints imposed by the Constitution, even after their remaking in the second half of the nineteenth and first half of the twentieth century, are often seen by institutionalists as having a direct causal impact on policy outcomes. In Lieberman's case, the institutions of federalism (especially the respective powers of the federal government versus that of the states) are highlighted as especially fundamental.

Assumptions about the causal primacy of political institutions are, however, challenged in fundamental ways in the emerging literature on the "racial state." Jill Quadagno's 1994 study of race and the Great Society provided a major inspiration to this alternative thesis. She argues that several key policy proposals advanced during the 1960s—community action, housing reform, welfare reform, national child-care proposals—floundered on the racial divide. In each case, a white backlash against programmatic initiatives that threatened racial hierarchies halted programs before they could achieve even modest objectives. Quadagno's case studies are carefully drawn and convincing, especially
her investigation of Nixon’s Family Assistance Plan proposal in the
late 1960s. But the boldest part of her book comes in a final chapter
entitled “Explaining American Exceptionalism.” Here, Quadagno ar-
gues that “the governing force from the nation’s founding to its present
[is] the politics of racial inequality” (p. 188). The exceptional character
of American political institutions both stem from and interact with
pressures to maintain the racial order. For Quadagno, the Great Society
merely reflects this durable historical logic.

These themes are pursued more extensively in Michael Goldfield’s
The Color of Politics. Goldfield endeavors to provide a broad, panoramic
view of the intersection of race and American political development.
In a (largely tacit) polemic with institutional models, Goldfield develops
the thesis that race had causal primacy in shaping American political
institutions (and thus institutional factors can, at best, mediate what is
at bottom a race-driven polity). He examines five key turning points in
U.S. political history: the colonial era (and the establishment of slavery
in the South); the struggles over the Constitution (which to keep
the union together ultimately required compromises that protected
the Southern slave system by enshrining states’ rights and divided
government); the creation of a new Southern order after the Civil
War (including the disenfranchise of African Americans and the
development of rigid agricultural labor regimes); the consolidation of
Jim Crow after 1896; and the New Deal (which was constrained by
Southern political forces that in turn were rooted in the dynamics of
race). In each case, he mounts the argument that outcomes were driven
by the racial vortex.

In covering so much ground, and with such polemical vigor, it should
not be surprising that Goldfield’s book contains little in the way of
historical nuance or a sense of contingency and indeterminacy that
others find in each of these crucial turning points. It is a blunt model to
impose on history. Nonetheless, The Color of Politics provides a valua-
ble starting point from which to think about how American political
institutions came to have the power that they did. These themes require
further systematic and theoretically-driven investigations.

The race/class nexus

The interaction between “race” and “class” factors has long provided a
central frame for understanding the American welfare state develop-
ment. One set of debates over the race/class question focuses on the sources of Southern opposition to modern welfare state institutions. By all accounts, despite the region's relative poverty and corresponding need for social spending programs, Southern politicians routinely blocked proposals for universal social programs. Institutional accounts of Southern opposition to such programs have accounted for how the South came to have such influence: Congressional seniority rules and the powerful committee chairmanship system gave members of Congress from the one-party South exceptional leverage over legislation for the first three-fourths of the twentieth century. But the question of why they used their influence the way they did has remained contested. In most accounts, simple racism on the part of Southern white voters and politicians provides the answer. Under no circumstance would Southern politicians permit the national government to control the provision of benefits to “their” black citizens. One can find plenty of rhetoric supporting just such a claim. Such a thesis, for example, runs through Lieberman’s account of Southern opposition to nationalized program administration.

An alternative class-centered model, however, has been vigorously advanced by economists Lee Alston and Joseph Ferrie. (Full disclosure: the second author teaches in the Economics Department at the same university that employs this reviewer.) The Alston/Ferrie thesis has three legs. First, they document that the predominant economic system in the South was a labor intensive agricultural regime governed by “paternalistic” relations in which planters offered protection and rudimentary social benefits for the (mostly African-American) laborers and sharecroppers who worked the land. Given the need for low-wage labor, it was in the interests of planters to provide these benefits to their workers and thereby maintain a dependent workforce. Planters thus had reasons to oppose all social programs that would have provided an alternative source of benefits and thus reduced workers’ incentives to participate in the low-wage agricultural labor market. Second, because of the uniquely undemocratic, one-party political system in the South, elected Southern politicians were heavily influenced by the planter elites and largely did their bidding in Congress. They religiously opposed universal, national programs and insisted on state-level administration wherever possible, although they often enthusiastically supported social spending programs within those constraints. As Lieberman and others have demonstrated, local program administration fulfilled the objective of limiting the participation of African-American farm laborers in government-run programs that
might have usurped paternalism. Third, with the coming of mechanization in the 1960s, paternalistic practices quickly eroded and in response Southern politicians reduced their rigid opposition to national-level programs. This can be seen most clearly in the nationalization of the old-age assistance program for those who did not qualify for Social Security.

With a parsimonious theoretical model and empirical documentation of the spread and persistence of paternalism in Southern agriculture, Alston and Ferrie have derived a plausible account of Southern elites’ political behavior. They first advanced a version of the paternalism argument in journal articles published in the mid-1980s, and it has since been invoked by scholars on all sides of a contentious debate. The book-length version only strengthens the case. To be sure, one could wish for a wider range of historical and political analysis — for example, an analysis of the defeat of Reconstruction and then populism that paved the way for the political dominance of the planter elite. More direct documentation of the exact linkages between planters’ interests and the votes of Southern members of Congress on the various proposals for national welfare state programs during the 1930s and 1940s from archival sources would help to nail down the details. I am also somewhat skeptical that Southern opposition to welfare programs can be explained by planter interests alone. For example, in the late 1960s, after the decline of paternalistic agriculture, Southern politicians still opposed Nixon’s proposal for a guaranteed minimum income for families in the FAP in part because of persisting fears about interference with low-wage labor markets.

The influence of the Alston/Ferrie paternalism thesis presents a double paradox. The first paradox is that while some historical institutionalists have embraced it, they do so without acknowledging the causal primacy it gives to class relations. In part, perhaps, this may reflect the fact that Alston and Ferrie employ the language of the “new institutionalism” (in economics) to characterize their findings. But however it is labelled, we should still be clear about one thing: the Alston/Ferrie model does not permit one to accept simultaneously that plantation class relations explain the motivations and behavior of Southern politicians, and at the same time deny the causal force of class relations in accounting for this crucial piece of the overall story. The second paradox follows directly from the first. Alston and Ferrie embrace historical institutionalist models at the very end of the book (e.g., pp. 151–152), and situate their own work in that tradition, in spite of their clear contribution to a
class-centered political economy approach to explaining the political distinctiveness of the South. Such a positioning does not, it would seem to me, do justice to their actual contribution.

Michael Brown’s *Race, Money and the American Welfare State* comes at the historical dynamics of the race/class relationship in a quite different way. Brown explores the comparative-historical patterning of the American welfare state from the New Deal through the Nixon Presidency through the prism of race and class in a long, challenging book that departs from the conventional wisdom in sometimes startling ways. Brown has in fact written two separate, albeit related books. The first study examines the joint influence of class power and state finance on the shaping of welfare state programs. Brown presents evidence that both Roosevelt and Johnson allowed their obsessions with balanced budgets — and concerns about business reaction to overspending — to undermine the possibilities for national-level antipoverty programs. He argues further that they had quite a bit more room for maneuver than is commonly understood. The chapters on the New Deal are the most surprising in this regard. Brown presents evidence that Southern politicians in the mid-1930s were willing to concede federal control over the programs contained in the Social Security Act if the federal government would also relieve the states of the burden of paying for these programs. The empirical basis for this claim is the assertion that paternalistic relations in Southern agriculture were breaking down under Depression conditions, and testimony from a handful of Southern members of Congress that the federal government was not contributing enough of the costs of relief programs (e.g., pp. 46–47). Alston and Ferrie show pretty clearly, however, that despite the strains of the Depression paternalism was alive and well. Brown’s evidence from the Congressional debate also tends to exaggerate the extent of Southern enthusiasm for nationalization, and underplays evidence to the contrary. Brown is convincing in arguing that the fiscal conservatism of the Johnson Administration hamstrung the War on Poverty. At high tide in 1964–1965, a remarkable range of programs were adopted, but frequently with paltry funding that precluded effectiveness. Most tellingly, Brown claims that it was Johnson’s fiscal conservatism, not pressures from the Civil Rights movement, which produced race-targeted programs. These were favored by Johnson because of their lower cost in comparison to more universal programs.

Brown’s other study offers an interpretation of the role of racial politics in the structuring of anti-poverty policy. At all points during the period
under investigation, he shows that black intellectuals and civil rights activists generally advocated universalism in social programs, not race targeting (as they are often accused of doing). He also documents – in impressive detail – the consequences of racial residential segregation and labor market racial exclusion on the prospects for successfully reducing poverty through the opportunity-based reforms of the Great Society. The basic point Brown hammers home is that you can't achieve racial equality through reforms that do not touch the underlying sources of racial disadvantage. Social democratic enthusiasts of universalism for political reasons would do well to reconsider such issues.

Dona Cooper Hamilton and Charles Hamilton’s *The Dual Agenda* documents in comprehensive and impressive detail that the leading civil rights organizations from the 1930s through the 1990s consistently fought for universal social policies that would benefit all poor Americans, alongside a civil rights agenda that sought to address racial discrimination. Digging deep into the archives of the NAACP, the National Urban League, and other prominent twentieth-century civil rights movement organizations, Hamilton and Hamilton show a pragmatic division of labor between the two agendas. Indeed, it was not until 1949 that the NAACP began to refuse to support liberal social welfare legislation that did not include antidiscrimination provisions. Earlier, they swallowed hard to back New Deal initiatives even when they pandered to Southern interests and often provided paltry benefits for African Americans. In the 1960s, the most powerful of the civil rights organizations sought to combine civil rights legislation within the broader Great Society. They generally promoted a universal anti-poverty agenda, placing jobs at the forefront of the solution to the problems of urban poverty (a key historical fact that Wilson overlooks). It is only in the 1990s, with the rising attacks on affirmative action, that this careful balancing act appears to be destabilizing. Taken together, the Brown and Hamilton and Hamilton studies demonstrate the importance of a historical understanding of the political interventions of African-American activists and organizations.

**Racial attitudes and the American welfare state**

The final piece of the American welfare state puzzle explored in recent scholarship is how racial attitudes (especially of whites) influence their receptivity to particular kinds of welfare state policies and programs.
The study of racial attitudes, and their link to policy preferences, has in the past decade become perhaps the most widely studied topic among analysts of political psychology and public opinion. This work is represented here in the edited collection by David Sears and his colleagues, and Martin Gilens’s study of race and welfare attitudes. The Sears et al. volume is a state-of-the-art collection of essays with contributions from a veritable who’s who in the field of race and public opinion research, with authoritative concluding assessments by Howard Schuman, Jennifer Hochschild, and Michael Dawson. The collection is unusual in containing chapters from scholars who have vigorously disagreed with one another in the past. It succeeds in large part because of the critical engagement with each other’s work in many of the chapters.

It is possible to distinguish three broad sets of approaches represented in both Racialized Politics and the larger field to linking racial attitudes to policy preferences. The first approach emphasizes the deep embeddedness and durability of white racism independent of actual group interests. Most closely identified with the work of Sears and Donald Kinder, these approaches (which have been identified by various labels) use individual survey responses to devise an attitudinal scale of racial attitudes, and then see how and to what extent these attitudes are associated with responses across a range of policy preferences. In the long gestation of this tradition — most commonly known as the “symbolic racism” model — one major finding has been that while the impact of direct racism on white Americans’ policy preferences has declined over time, there has been a persisting effect of more “subtle” forms of racism. In other words, while white Americans rarely express blatantly racist attitudes in response to survey questions, they still hold less obvious radical resentments that in turn influence policy attitudes.

The problem with the symbolic racism model (and its variants), as Howard Schuman points out in a telling commentary at the end of the book, is that correlating one set of attitudes with other, clearly related attitudes (e.g., racial resentments and attitudes towards affirmative action) hardly provides much in the way of explanation. The more sociological models contained in Racialized Politics are more compelling in this regard. In chapters by Marylee Taylor and Lawrence Bobo, for example, the contexts in which whites and non-whites come into contact provide the explanatory factors driving both racial attitudes and policy preferences. Following a long tradition traceable to the social psychologist Gordon Allport and the political scientist V.O. Key, Taylor cleverly links census and survey data in a novel way to show that whites
become more sensitive to race in contexts where African Americans are more numerous, and presumably pose more of a social, economic, and political threat. Such findings may help to explain why the recent anti-affirmative action wave in the United States emerged first in California. Bobo has sought to systematize similar ideas into a “group interest” model of racial attitudes: in a racially divided society, coherent racial and ethnic groups experience a sense of competition over scarce resources (which has a real, not purely symbolic foundation), and dominant groups generate stereotypes of subordinate groups to justify their dominance. Bobo considers the relevance of the sense of group position on attitudes toward affirmative action, finding that group interests shape policy attitudes even when controlling for various attitudinal and demographic factors that others have suggested account for these opinions. Here and elsewhere, however, Bobo has few direct measures of group position; it can only be inferred. Direct tests of the group conflict thesis are now underway and should prove illuminating.

The most controversial position within the survey research community on race and politics is represented in the work of Paul Sniderman and his associates. They have challenged claims that simple or hidden racism underscores whites’ opposition to racial policies. Instead, Sniderman has argued (here and elsewhere) that white attitudes toward such policies are mediated more extensively by political than racial views. To put the point simply, conservative whites oppose affirmative action not because they are racist, but because they oppose government programs on principle. It is only among liberal whites that racial views become a powerful predictor of policy preferences: liberals who also harbor underlying racial resentments can be more easily talked out of support for affirmative action than conservative whites with racially liberal views can be talked into support for such programs. Such asymmetries are analytically powerful, suggesting that subtle racism influences some but not all white views. In the field of race and public opinion, Sniderman’s work has been deeply controversial because it suggests that some other models rely too much on white racism to account for policy preferences.

It would be appropriate, if highly unlikely, for Racialized Politics to serve as the endpoint of a generation of theoretical debates about the impact of racial attitudes on policy preferences. There are two reasons for this. First, we may have probably exhausted the limits of conventional survey data analysis in regard to racial attitudes, although the newer experimental designs open the door to a new set of questions.
Second, as Jennifer Hochschild notes in her concluding commentary, despite the intense product differentiation among the participants, it is not very difficult for an outsider to the field to see these views as essentially compatible with one another, rather than mutually exclusive.

Martin Gilens’s *Why Americans Hate Welfare* grows out of the survey research tradition represented in the Sears volume, but also departs from it in refreshing and admirable ways. Gilens asks what factors account for Americans’ hostility to welfare programs. His analysis of national survey data suggests that two particular attitudes about race incline whites to oppose welfare. The first is the extent to which they see blacks as lazy, and the second is the extent to which they think African Americans are the primary beneficiaries of welfare expenditures (the actual proportion in the mid-1990s was a little over one-third). (Gilens also documents that it is African Americans, not other minority groups, who receive the brunt of white concerns about excessive reliance on government handouts.) These findings hold even in statistical models that include controls for individualistic attitudes and self-interest. His quantitative investigations suggest that the key source of opposition to welfare among those whites who oppose it are perceptions that blacks use welfare to avoid work in much greater proportion than whites or other minorities.

Gilens goes beyond the survey data to ask, where do such attitudes come from? Why do most whites have greatly exaggerated impressions of the numbers of blacks receiving welfare? In two chapters, he presents the results of research on media representations of poverty, welfare recipients, and the decision-making process of editors. A simple but devastating content analysis of the pictures accompanying stories about poverty in the three biggest newsmagazines (Time, Newsweek, and *U.S. News and World Report*) shows that blacks are widely over-represented in these visual images. In some years, over 70 percent of the pictures in poverty stories show African Americans, and the overall average for the entire period (1967–1992) is double the actual percentage of blacks who are poor (less detailed comparisons with television news show a similar result). The biggest dips in the use of images of poor blacks occurred during recessions, when suddenly it appears to become acceptable for editors to choose pictures of poor whites. Gilens tracked down the editors responsible for making these decisions, finding them to be racial liberals surprised by their own decisions when confronted with these data.
The upshot of these findings is a convincing portrayal that takes us beyond survey responses that have been the predominant focus of public-opinion research on race and policy preferences. Gilens’s investigation of media portrayals of poor blacks provides a useful model for other considerations of the sources of racial attitudes and their link back to attitudes. In its mixing of conventional survey research, media studies, and comparative-historical evidence, *Why Americans Hate Welfare* forcefully takes research on public opinion out of the survey research ghetto to which it is usually confined. His conclusions and policy recommendations — that employment-based social policies provide a better fit with whites’ stereotypes about blacks than does cash assistance — take us back full circle to Wilson, but this time with a much more rigorous understanding of the nature of white public opinion.

**Race and future of welfare state politics**

Taken as a whole, these books suggest both pessimistic and optimistic possible readings about the future of the American welfare state. The optimistic version asserts that most of the factors that have enabled the politics of race to drive the politics of welfare appear to be eroding. The South is no longer a one-party bastion of the planter elite, and is slowly coming to resemble the rest of the country, politically as well as economically. Large numbers of white Americans endorse the principle of racial equality and a smaller — but growing — group is embracing multiracialism and multiculturalism. There may be ways to push these attitudes toward encouraging state-building initiatives that might make good at last the promise of racial equality. Indeed, Clinton-era liberals may have found a politically viable policy agenda for a twenty-first century welfare state, built around a full-employment economy, high minimum wages, lavish expenditures on education, and politically popular income subsidies for low-income workers and for childcare.

The pessimistic version, by contrast, asserts that the emerging global economy is undermining the capacity of welfare states everywhere, and will produce increases in racial and ethnic group tensions. Further, the persistence of employer discrimination, racial segregation in housing, vast differences in wealth between whites and minorities, and negative perceptions among whites about the abilities and willingness of minorities to work hard and succeed suggest that commitment to the principle of racial equality has important limits. As always, the politics of race and social provision remain bitterly contested in theory and practice.