Preface

This project has disparate origins, some that I can only appreciate as I come to the end of a long journey and ask, how did I end up here? The route seems so obvious as I look back. But it would be disingenuous to say that I knew all along where I was going and why.

In the 1980s, I was an eyewitness to the first wave of economic reforms in China after the Cultural Revolution. Deng Xiaoping and his supporters set out on a long march to smash the iron rice bowl and rewrite the terms of employment for hundreds of millions of Chinese. The so-called reformers sought, among other things, to dispense with lifetime guarantees of job security and greatly reduce state subsidies for housing, medical care, and other key pieces of the public safety net. At the university I was teaching at in the ancient city of Xian in northwest China, the authorities also struggled, with mixed success, to figure out how to build an incentive structure into university education so that the more “productive” professors and teachers would somehow be rewarded for their efforts.

These attempts to rewrite the terms of employment and to change people’s expectations about what they are entitled to by virtue of their employment had pervasive political and economic consequences at the local, provincial, and national level. I took a keen interest in these consequences during my two-year stay in China and subsequently. Return visits and newsy letters from friends and former students in China helped keep me apprised of how these macro-level political and economic developments affected everyday life in the People’s Republic.

When I returned to the United States, the country was beginning to dig itself out of the worst recession of the postwar years. Employed as a journalist and an editor over the next several years, I noticed that a quieter revolution was under way to rewrite the terms of employment and to reconfigure the social safety net in this country. Even though the economy was roaring once again by the mid-1980s, many workers in the United States were told to shoulder more of the costs of their health care, to make do

with part-time and temporary jobs, to accept smaller pensions, and to labor under the threat of being “downsized” at a moment’s notice. Anger, anxiety, and insecurity characterized the work lives of many people I knew, including coworkers, friends, and family members, most of whom were told to make do with less. While political scientists focused on the efforts by the Reagan administration and its successors to roll back the public safety net, the private-sector safety net was quietly under siege.

Given all the hostility and insecurity I witnessed in the workplace and the enormous gains that corporations made as wages stagnated, I began to wonder why organized labor was not more successful in defending the porcelain rice bowl that labor, business, and the state had forged in the United States after World War II. The stock answer about how U.S. labor unions were politically enfeebled because of a dwindling membership base was unconvincing and seemed too circular an explanation. As the debate over health-care reform heated up in the early 1990s, I also wondered whether the optimism was justified among analysts and labor officials that business was prepared to be a constructive partner with labor and the state to resolve the pressing problems of escalating health-care costs and the growing number of the uninsured. Furthermore, I was perplexed by organized labor’s decision to stick by a private-sector solution for health-care reform. Labor remained committed to an employer-mandate solution even though the bond between employer and employee was disintegrating in the United States, so much so that the very definition of what constitutes an employee was up for grabs.

For these reasons, I decided to use health-care reform as a window to explore larger questions related to the politics of economic restructuring in the United States. This book addresses several important but largely neglected areas in the field of American politics and public policy, including: the private face of the U. S. welfare state; labor’s continued, evolving, and multifarious role in shaping contemporary social policy; the ways in which health-care reform is inextricably bound up with larger questions related to the U.S. political economy; and the likelihood that a durable rather than a sporadic coalition of organized labor and other groups will congeal to challenge the rightward thrust in social and economic policy in the United States.

I have accumulated a number of personal and intellectual debts along the way. I am beholden to David Mayhew, Stephen Skowronek, and Rogers Smith of Yale for their thoughtful, constructive criticism at each step of this project and for letting me write the dissertation I wanted to write. David Cameron’s critical eye, optimism, and frank and levelheaded advice were invaluable from start to finish. One could not ask for more in a dissertation committee chairman. I am grateful to Walter LaFeber for initially

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Members of my family are still not clear what this project is all about, but I am beholden to them all the same. The discussions and debates I have had with them at holiday gatherings over the years and the struggles they have faced in the workplace had a deep effect on my choice of subjects and on the final shape of this project. Thanks to them, my interest in political science continued to develop in tandem with my interest in real world concerns. Finally, my love and thanks to Atul for everything—and then some.

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The Shadow Welfare State