

Reassessing Policy Drift: Social Policy Change in the United States

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Abstract

As formulated by Jacob Hacker, the concept of policy drift turned institutional theories of public policy on their heads by suggesting that consequential policy changes often happen in the absence of reform. Especially prevalent in times of political gridlock or stasis, policy drift is a useful concept for capturing how inaction can gradually diminish the effectiveness of social programs over time. By highlighting cases of difficult-to-see policy inaction, however, Hacker's concept sets a high bar for empirical scholarship. In this article, we suggest that analysing policy drift requires attention to comparative policy outcomes, the implementation of reforms intended to alleviate drift, and the time frame of the study. With these insights in mind, we analyse the impact of drift on US retirement security and health care coverage to reflect policy changes that have occurred since Hacker's original analysis was published.

Keywords

Social Policy; Policy Drift; Policy Change; Pensions; Health Insurance; United States

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Introduction

The last two decades have seen major shifts in how researchers conceptualize change in the welfare state. Whereas institutional theories once emphasized the resilience of social policy,

especially in settings characterized by numerous veto points and political resistance to retrenchment, a now-voluminous literature reveals that policies often evolve outside of formal venues—through gradual and often low-profile shifts in their meaning (Béland and Waddan 2012a; Bhatia 2010; Gildiner 2007; Hacker 2004; Mahoney and Thelen 2009; Rocco and Thurston 2014; Streeck and Thelen 2005; Thelen 2004). A central concept in gradual theories of institutional change is that of ‘policy drift’, formulated by Jacob Hacker (2004). Policy drift refers to cases of institutional change that result not from ‘formal revision’, but from policies’ failure to adapt to shifts in their social or economic context. Policy drift is a particularly ubiquitous process in contexts dominated by both political and institutional aversion to change (Hacker, Thelen and Pierson 2013). While processes of conversion (the redeployment of existing rules) and layering (the introduction of new rules alongside existing ones) respectively require institutional discretion or political opportunities for change, policy drift often occurs in the face of legislative stasis.

However ubiquitous, drift is notoriously difficult to study empirically, especially because it refers to change through inaction, or ‘Transformation of stable policy due to changing circumstances’ (Hacker 2004: 248). As Rocco and Thurston (2014: 36) suggest, the invisibility of drift makes it difficult to track with the ‘standard tools for observing institutional change’. In this article, we address these challenges and re-examine the concept of policy drift and its insightfulness for research on social policy change by revisiting Hacker’s (2004) original contribution, both analytically and empirically. First, we discuss how Hacker (2004) frames the concept of policy drift, before exploring a number of analytical issues that must be addressed in order to facilitate more systematic empirical research on policy drift. In particular, we suggest that closer attention to case-specific empirical implications of the effectiveness of policy implementation, especially in contexts where authority is delegated to sub-national governments, and the timeframe of the analysis

make drift a more tractable concept. Second, in order to empirically examine and illustrate these issues, the article revisits and updates the two case studies featured in Hacker's seminal 2004 article: health insurance and retirement security. Re-examining these case studies now is especially relevant for two reasons. On one hand, the scope of the 2008 financial crisis and of the Great Recession only deepened the trends towards drift initially reported by Hacker. On the other hand, the US government's response was uneven across policy domains: whereas a major reform occurred in the field of health insurance (the 2010 Affordable Care Act), retirement security saw no reform (Hacker, Thelen and Pierson 2013). By applying our analytical insights on drift, the article suggests that, while policy drift has continued in the field of retirement security, the field of health insurance has witnessed an attempt to reverse the impact of policy drift. Importantly, however, that effort is only likely to fully succeed if the Affordable Care Act (ACA) is successfully implemented, an issue that points to the relationship between policy drift and implementation, something which Hacker (2004) does not tackle systematically. Overall, this article suggests that policy drift remains a useful concept for social policy analysis while also exploring key analytical and empirical issues that will allow future scholars to improve their precision when monitoring drift.

How the Concept of Policy Drift Challenges Theories of Social Policy Stability

The primary concern of scholars who utilize the notion of policy drift, along with other concepts such as 'conversion' and 'layering', is to explain how institutional change, including potentially significant change, occurs in the absence of formal revision of existing policy (Hacker 2004; 2005; Hacker, Thelen and Pierson 2013; Streeck and Thelen 2005). The introduction of these concepts marked a challenge to the punctuated equilibrium model of political development (Baumgartner and Jones 1993), which suggests that significant changes depends on exogenous disruptions to a previously stable political settlement that provide

opportunities for formal policy revision. Adopting concepts such as drift, conversion and layering is not to deny that there are critical junctures in political development that lead to widespread institutional change; rather, it is to question whether the periods of apparent stability in between these junctures are as institutionally steady as is implied. More specifically, in his work, Hacker (2004) set out to challenge the idea that the US welfare state had endured and survived largely unscathed, even as the post-war politics of welfare state expansion had given way from the 1980s onwards to a politics of austerity and retrenchment (Pierson 1994; Pierson 2001).

The view that there had not been comprehensive welfare state retrenchment in the United States was itself a corrective to the perception that the economic crisis of the 1970s, and the subsequent arrival of President Reagan to the White House, had marked a critical juncture and thus a period of sweeping change. In fact, scholars such as Paul Pierson (1994, 1996) argued that during the Reagan years, US social policy had proved to be strongly path dependent and welfare state structures remarkably resilient, in part because of the power of large constituencies associated with social programs created decades earlier, such as Medicare (1965) and Social Security (1935). In short, according to Pierson (1994), the formal institutions of the welfare state had dodged the conservative bullet.

Hacker's critique of Pierson's account did not assert that the conservative blueprint for retrenchment had been accomplished through concerted legislative change. He did, however, maintain that a proper examination of the social protection offered to workers and citizens, through *both* public and private sector benefits, showed how such protection had been eroded over time. In particular, Hacker (2004) argued, the narrative emphasizing welfare *state* resilience neglected to properly investigate developments in a critical aspect of the US social policy system: the heavy reliance on private social protection that, in turn, depended on indirect support from government in the form of tax expenditures (Howard

1997). Hence, too much analysis of welfare state retrenchment, which stressed the limits of that retrenchment, missed the manner in which there had been ‘a major shift in the distribution and character of private benefits in recent decades, with rates of coverage plummeting among lower-income workers and benefit plans providing increasingly insecure income guarantees’ (Hacker 2005: 45).

Of the three incremental yet potentially transformative processes Hacker (2004) identified as contributing to that change, two, conversion and layering, did require direct and positive action by strategic political actors. Policy drift, however, was largely a consequence of inaction. Drift took place when a policy designed to protect against a particular socio-economic risk remained unaltered, but the nature of the risk had evolved over time. Thus, although existing policy frameworks remained in place, ‘their ability to achieve the goals embodied in them ... noticeably weakened’ (Hacker 2004: 256). One example used to illustrate the real world impact of policy drift is the declining value of the US federally mandated minimum wage. The minimum wage is designed to offer some protection for the standard of living of low-income workers, but because it is not indexed to a cost of living measure, its real value is eroded over time. As a result, unless the wage is specifically increased through formal public policy decisions, it will protect fewer workers over time.

The example of the minimum wage illustrates the importance of policy design in terms of the potential for policy drift to occur. Laws can be drafted in ways that reduce the likelihood of drift. In the case of the minimum wage, or with regard to cash benefits, the value of these social protections can be maintained over time through indexation (Weaver 1986). Hence drift ‘depends on how sensitive the effects of an institution or policy are on its context and on whether policies are designed in ways that foster their updating in the face of changing circumstances’ (Hacker, Pierson and Thelen 2013: 2). Inflation is entirely predictable and so the question of whether to index cash benefits is one that policymakers

will argue about, aware of the consequences of their decision. Sometimes, however, drift can arise as a result of unexpected changes in the socio-economic environment (however predictable these changes might look in hindsight). For instance, the various welfare state programmes created in the UK in the late 1940s introduced a range of social protections, but an underlying assumption at the time was that the male breadwinner model of family life would continue. As that model came under increasing pressure when more women entered the labour force and assumptions about traditional family structures were challenged, the expectations inherent in that model about responsibilities for child-care became less credible. Thus, this type of ‘new social risk’ meant that social policy institutions premised on the notion that women would have the time and energy to care for infants and seniors were undermined (Taylor-Gooby 2013). Policymakers’ failure to adapt the existing model to new social contexts constituted a form of policy drift.

Importantly, if policy drift is to be a meaningful concept, there must be technically-feasible policy solutions available to remedy the consequences of changed economic or social conditions. If the changes in the socio-economic context yield no alternatives, then the norms of political life do not apply. By contrast, policies *drift* when policymakers fail to use available options to deal with external changes, such as increasing the minimum wage or subsidizing access to childcare for working parents. The availability of options is relevant because it means that it is a matter of political contestation whether these policy choices are made. Drift, therefore, is not simply a result of a dearth of policy ideas, but the consequence of a drive to maintain the legislative status quo, even though it is apparent that this does not mean the reality on the ground is that ‘things remain the same’ (Hacker, Pierson and Thelen 2013).

Policy Drift: Addressing Key Analytical Challenges

As Rocco and Thurston (2014) argue, the utility of drift as a concept depends on surmounting numerous challenges to empirical analysis. Three particularly important challenges merit special attention. First, systematically identifying a set of processes as drift is in itself challenging, in part because drift is, as Hacker (2004) himself acknowledges, a ‘subterranean’ reality largely hidden from view, which means that there is not always a ‘smoking gun’ that explains the motives of those opposed to revising policy to meet changing circumstance. This invisibility is related to two main factors. On one hand, the typically slow moving changes in the economic and social context that help produce drift are not always immediately apparent. On the other hand, the other source of drift—policy inaction on the part of government to address such changes—is not a presence but an absence, making it harder to observe and operationalize empirically. A related issue is that drift is not always easy to measure or quantify, which poses a significant methodological challenge. As Hacker (2004) shows in his original article on the topic, however, it is possible to empirically investigate policy drift by clearly identifying and testing drift’s empirical implications. This often demands diachronic evidence about how policy regimes directly affect their target beneficiaries, both before and after changes in the economic and social environment, as well as in the presence and absence of ‘formal revisions’ aimed at counterbalancing these changes through the adoption of new social programs. Clearly identifying drift’s empirical implications in a specific case allows the analyst to distinguish it from other, related social processes. In cases where there is formal revision, by evaluating changes in policy outcomes pre-revision and post-revision, we can better pin down not just the effectiveness of government interventions but the scope of drift itself.

Second, the concept of formal revision, which can be understood as a way to combat drift, is under-theorized in Hacker’s 2004 article and in subsequent work on the topic that fail

to elaborate on the kind of legislative and administrative activities that revision entails. On one hand, what are the economic, social and political conditions under which formal revision becomes the source of a broad consensus that may lead to reform aimed at addressing the very sources of policy drift? This issue is related to the apparent level of ‘problem pressure’ (Schmid, Cacace, Götze and Rothgang 2010), as well as partisan and institutional configurations such as the balance of power in Congress and the White House, to take the example of the United States (Béland and Waddan 2012). On the other hand, while Hacker (2004) does briefly allude to the relationship between legislative revision, policy drift and implementation, he does not sufficiently examine the conditions under which drift-correcting policies are effectively carried out in practice. This means that, in order to reduce or eliminate drift, the enactment of new social legislation might not be adequate in and of itself. This is true because what actually matters, in the end, is whether such legislation is properly implemented. As decades of implementation studies suggest, legislative acts, what Hacker (2004) calls formal revision, do not always have the consequences on the ground that reformers intended (see e.g. Mittlestadt 2006). Moreover, the implementation of drift-correcting policy may falter when it occurs over a long period of time and involves multiple veto actors located at different levels of government, who may redirect or stymie program goals (Pressman and Wildavsky 1973). Additionally, opponents of major reforms may in many cases attempt to undo them after their enactment (Patashnik 2008). This situation further complicates the analysis of both formal revision and policy drift, for the simple reason that one cannot assume that legislative reforms, however significant, will be capable of alleviating drift. Thus, policy analyses should investigate how formal revisions alleviate or fail to alleviate specific symptoms of drift.

Third, the analysis of policy drift is subject to a general remark that applies to other forms of policy change as well: the central methodological issue of the time frame used by

researchers to assess change. As John L. Campbell (2004: 42) notes, ‘institutionalists and others have virtually ignored the issue of how we should specify the time frame over which we track institutions in our effort to determine how much institutional change has occurred and what pattern it has taken’. Such remarks are especially relevant for the analysis of incremental yet transformative policy change such as conversion, layering and particularly policy drift. Drift, by definition, involves comparing an existing policy’s effectiveness at different points in time. Because drift is likely to be a slow moving process, definitive conclusions about the scope and the direction of policy drift are hard to reach and setting a time frame for the analysis is tricky, as gradual trends in the economic and social environment, as well as the more sudden and visible impact of formal revision, can alter our diagnoses about the potential existence and the nature of policy change in a particular national and historical context. This claim might lead scholars to constantly monitor the ever evolving situation in the policy areas they are interested in, as a way to follow the development of incremental and potentially transformative social policy change in real time. Another option, which is the one we adopt in the following analysis, is to return to the cases analysed in past studies about policy change as a way to see how things have continued to evolve since the study was initially conducted. In order to do this, scholars simply need to focus on the same country and policy areas while using similar indicators and data sources to assess the evolution of policy change over time. Revisiting Hacker’s cases is a good way to move the analysis of social policy change forward and, considering the issue of time frame, it is especially relevant for the analysis of drift and other forms of incremental yet potentially transformative policy change.

Revisiting Hacker’s two US cases (health insurance and retirement security) a dozen years after his analysis initially appeared is especially insightful for two factors that, taken together, go to the heart of policy drift analysis since they deal with a changing socio-

economic context and attempts at formal revision, respectively. On one hand, regarding context, the 2008 financial crisis and the Great Recession it triggered directly impacted US social policy in the fields of both health insurance and retirement security (Béland and Waddan 2012a). Considering the profound impact of the Great Recession, systematically assessing its potential deepening of the pattern of policy drift is essential, in both the United States and beyond. On the other hand, as policy areas, US health insurance and retirement insecurity are fascinating to compare because, since 2004, the former has witnessed major formal revision targeted at working against the pattern of drift while the latter has not. In fact, President Bush's failed 2005 attempt to privatize Social Security further points to the importance of drift as a concept because, in this case, the absence of formal revision is not the whole story about pension change in the United States. At the same time, revisiting the situation of US health insurance in relationship to the issue of policy drift is especially useful in tackling the potential relationship between drift, revision, and implementation. This is the case because the implementation of the 2010 ACA, a complex federal reform, will take nearly a decade to unfold and will require the co-operation of numerous potential veto actors, including state governors and legislative branches (Béland, Rocco and Waddan 2014). As a result, the potential impact of the ACA on policy drift is largely mediated by a long and politically fragmented implementation process, a situation that should highlight the importance of implementation for the analysis of drift. In contrast, the issue of implementation does not apply to the field of US retirement security for the very simple reason that no Social Security reform has been enacted since 1983 (Béland and Waddan 2012a). Finally, returning to these two US cases is likely to contribute to the ongoing observation and operationalization challenge associated with the tricky yet insightful concept of policy drift, which requires an assessment of drift's empirical implications, analysis of policy implementation, and attention to changes in policy dynamics over time.

Health Insurance: The Promise of Formal Revision and Uncertainty of Implementation

As Hacker's 2004 article suggested, health insurance policy in the United States was a major site of drift for the latter half of the twentieth century. When compared to other industrialized countries, the US health care system is distinctive because of its relatively high dependence on private sector financing and the manner in which a majority of people receive insurance as a benefit from their employer (Moran 2000; Wendt *et al.* 2009). Furthermore, and differing significantly from the situation discussed below with regard to retirement security, employer provided health benefits were not a supplement to state provision but a substitute for it. Thus, despite the introduction of Medicare and Medicaid in the mid-1960s, government provision of insurance did not extend to able-bodied workers. Enrolment in private insurance plans, which reached its peak at 79 per cent in 1968, steadily declined after 1980, driven by a reduction in employer provided coverage, so that by 2007, only 67 per cent of people under 65 had any form of private coverage (Cohen *et al.* 2009: 4).¹ As it was, the decline in private coverage was offset somewhat by a further increase in the number of under 65 year olds covered by the Medicaid program, rising from 6.7 per cent in 1978 to 13.9 per cent in 2007. Nevertheless, in 2007, 16.6 per cent of people aged below 65 were uninsured (Cohen *et al.* 2009: 9). The failure of major health reforms in the United States to adapt to this trend, as Hacker (2004: 254) put it caused a 'massive decline in private health protection', which had become less and less 'available or affordable for low-wage workers. Policy drift thus resulted in the further privatization of health security risk for many Americans.

Has the trend towards drift continued since in 2004? In some respects, the answer is yes. As figure 1 shows, in 2000, 71.8 per cent of nonelderly people had employment-based insurance but that this figure had declined to only 61 per cent in 2013. Yet by leveraging data on policy outcomes before and after major changes in the socio-economic environment,

shifting the time frame of the analysis, and attending to the implementation of major reforms, a more nuanced empirical picture emerges.

(Figure 1 about here)

First, turning to data on drift's case-specific empirical implications, namely policy outcomes before and after changes in the socio-economic context, reveals more complexity than meets the eye. While increasing levels of underinsurance would indicate continued policy drift, raw figures on coverage hide the fact that drift has been affecting the population unevenly. Perhaps unsurprisingly, there was a particular reduction in the number of people in less well paid work who were insured through their employer. In families with an income below 200 per cent of the federal poverty line (FPL), the percentage of non-elderly people covered by employer insurance dropped from 39.3 per cent in 1999/2000 to 29.2 per cent in 2010/2011. In families with incomes between 200 to 400 per cent of the FPL, the drop was from 79 per cent to 70.6 per cent, while for families with incomes above this the decline was much more marginal, from 90.7 to 88 per cent (State Health Access Data Assistance Center 2013). The number of people covered by Medicaid did rise during the 2000s (Cohen *et al.* 2009: 9), but not by enough to compensate for the lost coverage elsewhere. Thus, while 14.6 per cent of the total population were without insurance in 2005, that figure had risen to 16.1 per cent, equating to almost 49 million people, by 2009 (US Census Bureau 2012b). The rise in unemployment as a result of the Great Recession of 2008 added impetus to these trends. Hence, partially at least as a corollary of policy drift resulting from the inaction of policymakers, an increasing number of people, particularly those in lower income households who were most vulnerable to the negative economic consequences of unexpected expenses, went without health insurance.

Second, shifting the time frame of the analysis reveals important changes in the political environment that supported drift. Whereas Hacker's analysis pointed to 'a

formidable constellation of ideologically committed opponents and vested interests' (Hacker 2004: 254), the 'problem pressure' (Schmid, Cacace, Götze and Rothgang 2010) arising from the ongoing crises in the US health care system combined with an extraordinary set of institutional circumstances to enable President Obama and the Democratic Congress to enact the Affordable Care Act (Beland and Waddan 2012b; Jacobs and Skocpol 2010; Marmor and Oberlander 2011). This law constituted a formal revision designed at overhauling much of the US's fragmented health care arrangements. Its passage cannot simply be attributed to the evidence of the problems besetting the health care system, as these had long been apparent. As Mark Peterson (2011: 431) points out, however, these difficulties had reached especially chronic proportions by the end of the 2000s, not just in terms of access to coverage but also cost and performance. For a legislative effort to remedy this dysfunction to emerge through Congress, there also had to be a 'most fortuitous, and rare, alignment of the institutional and political stars' that empowered the new president and his party in Congress while disempowering the vested interests whose previous hostility to comprehensive reform had been so decisive (Peterson 2011: 431). Importantly, while such a constellation of events may be 'rare', the passage of the ACA may suggest that even the most apparently inexorable cases of drift, constituting 'hidden' social policy retrenchment (Hacker 2004), can be reversed.

Third, focusing on policy implementation reveals that understanding whether or not the ACA counts as a 'major revision' is not so simple. To be sure, the ACA was no doubt an important first step in combating policy drift. Congressional Budget Office projections suggest, for instance, that the number of uninsured will decrease by 17 million in 2015 alone, whereas the number of individuals covered by insurance exchanges will expand by 11 million and those covered by Medicaid or CHIP will expand by 10 million (Congressional Budget Office 2015). Yet any examination of the nature of policy drift with regards to health care in the US needs to disaggregate the national numbers and trends at the state level, as there were

significant discrepancies among states in the number of uninsured. In 2008, eight states plus the District of Columbia had un-insurance rates below 10 per cent of the population. The lowest rate was in Massachusetts, where five per cent of the population was uninsured. Six states, however, had un-insurance rates above 19 per cent. For example, 22.8 per cent of the population in New Mexico and 24.5 per cent of the population in Texas had no insurance coverage (US Census Bureau 2012b).

These numbers reflect the broad socio-economic circumstances of the different states, but also the policy choices made by state level political actors as they chose whether or not to use their own powers to act. Most notably, Massachusetts enacted a sweeping health reform in the state in 2006, which was designed to combat drift and to minimize the number of uninsured (Belluck and Zezima 2006). In contrast, Texas had amongst the least generous levels of eligibility for Medicaid; while imposing minimum federally approved standards, the program allowed for considerable state discretion in determining which categories of people were covered. In short, efforts to combat drift can vary in different sub-national settings. In a policy domain such as health care, where there is considerable variation, it means that analysis of formal revision, as a means of tackling the consequences of drift, needs to be integrated with a study of implementation which, in the case of the ACA, intersects with federalism and state politics, issues that are not central to Hacker's (2004) initial work on policy drift.

As the law was written, the full roll out of the ACA was scheduled to take place over a number of years through 2019, with much of the responsibility for implementation of its provisions delegated to state governments. Yet the framers of the ACA did not anticipate how the opponents of reform would exploit loopholes in this implementation process to obstruct the realization of the law's goals (Béland, Rocco and Waddan 2014). This, in effect, meant that the long-term increase in the number of uninsured Americans resulting from policy drift

was only partially reversed. The resistance to the implementation of the ACA was manifested across a number of aspects of the law. For example, in order to enable lower income households to purchase affordable health insurance, the ACA established so-called ‘health insurance exchanges’ through which people would be able to choose from a variety of insurance packages and, depending on their income, receive a subsidy from the federal government to pay for that insurance. The law stipulated that state governments could establish their own exchange, and that the federal government would act in cases where states did not co-operate. When the law was passed it was anticipated that most states would take the opportunity to run their own exchanges (Jacobs and Skocpol 2010), but by the end of 2014 only 24 states were doing so (Kaiser Family Foundation 2015a).² The federal government did step in elsewhere, so people who were eligible for subsidies were able to access them, but the un-cooperative attitude of many Republican controlled states was indicative of an ongoing resistance to the implementation of the ACA (Béland, Rocco and Waddan, forthcoming).

The significance of that resistance, and the manner in which it worked to limit the ACA’s aims of reversing the impact of policy drift, was seen in its most quantifiable form with regard to the ACA’s proposed expansion of the Medicaid system. The ACA intended that all states would be effectively required to expand their existing Medicaid programs to cover everyone with an income up to 138 per cent of the FPL. In the summer of 2012, however, the Supreme Court ruled that the ACA represented an over-reach of federal authority and allowed states the option of not expanding their program (Waddan 2013). There were considerable incentives, in the form of extra federal dollars, for states to participate in the expansion, but at the end of 2014, a year after the expansion came into place, 22 states had chosen not to do so (Kaiser Family Foundation 2015b). In Texas, this meant that over 1 million people, who would have received coverage under Medicaid if the ACA had been

fully implemented, were left uninsured (Aaronson 2013). More generally, as figure 2 shows, states' refusal to expand Medicaid significantly limited the ACA's impact on reducing the number of uninsured and created a 'coverage gap' in non-expansion states. This evidence suggests that efforts at formal revision to reverse the consequences of long-term policy drift will be resisted by political actors hostile to that revision, and that this resistance can be particularly effective in a context as institutionally and territorially fragmented as US health care. The result is that, while optimistic projections of uptake in the ACA may be warranted in the long run, correcting for drift in the short term may be an uneven process of trial and error.

(Figure 2 about here)

Retirement Security: The Persistence of Policy Drift

The US retirement security system is similar to the country's health care system in the sense that it has long been grounded in a close interaction among public and private benefits (Béland and Gran 2008; Hacker 2002; Howard 1997; Klein 2003). In contrast to health care, however, the creation of a major federal social insurance program (Social Security) occurred early on, during the New Deal. In this context, as Hacker (2004: 254) notes, modern voluntary, private pensions largely emerged after the creation of the federal programme, which meant they were built on the top of it. The integration of private and public pension benefits was facilitated by the post-war expansion of Social Security, which made it less expensive for employers to generously complement existing federal benefits, a situation that stimulated growth in private pensions (Hacker 2002). As Hacker (2004: 254) notes, however, this expansionary post-war trend, which significantly increased retirement security over time (Myles 1988), began to gradually unravel in the 1970s. First, on the public side of the equation, the post-war expansion of Social Security that took place from 1950 to 1974 ended abruptly in the aftermath of the 1973 oil crisis. As rising inflation rapidly boosted the value of

Social Security benefits after the adoption of automatic indexation in 1974, stagflation weakened the fiscal sustainability of the programme. The 1977 and the 1983 amendments to the Social Security Act addressed this looming fiscal crisis, but overall the debate over public pension reform shifted from expansion to retrenchment (Hacker 2004; Pierson 1994). Second, as Hacker (2004: 255) notes, ‘employers have rapidly shifted away from the traditional “defined-benefit” plans’ to embrace ‘defined-contribution plans’. This long-term decline of defined-benefit pensions is extremely well documented in major books on US social policy (Hacker 2002; Howard 2006; Klein 2003). For Hacker (2004), the end of Social Security expansion and the decline of defined-benefit pensions in the private sector combined to produce policy drift, as the main public programme in the field is not being improved to compensate for the deterioration of economic security stemming from policy drift and the related ‘conversion’ of voluntary pensions, which are less and less integrated with Social Security. Simultaneously, federal politicians have successfully pushed for the multiplication of increasingly regressive tax-subsidized personal savings schemes, which have exacerbated policy drift and the related individualization—and decline—of retirement security in the United States.

By shifting the time frame of the analysis, we see that these trends have largely continued. In the field of pensions as in health care, policy drift is largely about the changing relationship between public and private benefits. Since Hacker published his article in 2004, two major episodes have affected the public and the private sides of the US policy drift equation, respectively. First, in early 2005, Republican President George W. Bush launched a massive campaign to privatize Social Security. At the heart of his push was the claim that, in an era of accelerated population aging, the best way to improve the long-term fiscal sustainability of the federal program was to partially move it away from the logic of defined-benefit pensions through the development of personal savings accounts carved out of the

existing Social Security payroll tax. If such a reform had taken place, the defined-contribution model would have reduced the role of defined-benefit social insurance within the federal Social Security system itself. In this way, such a reform would have exacerbated the decline of retirement security Hacker (2004) described. Yet, despite conducting ‘perhaps the most extensive public relations campaign in the history of the presidency on behalf of reforming Social Security’, President Bush’s aggressive push to convince the Republican Congress to pass legislation to partially privatize this federal program failed miserably (George Edwards III 2005: 284). This outcome stemmed from the popularity of the programme and the fact that influential lobbies such as AARP (American Association of Retired Persons) opposed it. Democrats, which the public trusted much more on the issue than the Republican President (Ross 2007), made the credible claim that the proposed reform would reduce the economic security of retirees without improving the programme’s long-term fiscal standing (Béland and Waddan 2012). Importantly, however, the defeat of President Bush’s initiative simply meant that the institutional status quo of the programme, which had persisted since 1983, was maintained. In other words, since the publication of Hacker’s 2004 piece, despite the continuing popularity of Social Security, the programme has not been expanded to compensate for the decline of retirement security in the private sector associated with individualistic, defined-contribution savings schemes which transfer economic and financial risks onto workers.

The 2008 financial crisis and the subsequent Great Recession also weakened retirement security while exposing the vulnerability of personal retirement savings to the fluctuation of financial markets more than ever before. This is true because the financial crisis forced millions of older workers who rely extensively on voluntary defined-contribution schemes to postpone retirement in order to allow for stocks—and the value of their pension savings—to bounce back. At the same time, the financial crisis further

weakened the existing network of defined-benefit occupational pensions, as a number of large public and private employers operating them struggled to address growing pension fund shortfalls. Although stocks did bounce back sooner than expected, the financial crisis further weakened the confidence of the US public in private pension savings. In the aftermath of the Great Recession and the slow recovery that followed, higher unemployment rates and stagnation in wage levels made it harder and harder for a growing number of Americans to save for retirement. In November 2014, for example, a national poll revealed that ‘63 per cent of Americans are worried that they will not have enough savings for their retirement.’ (CBC News 2014). Simultaneously, during the Obama years, apart from a temporary ‘payroll tax holiday’ aimed at boosting the economy, Social Security reform remained largely off the federal policy agenda. This is true of Social Security privatization but also of much less visible, though still viable, proposals to improve the public side of the US retirement system in order to compensate for the decline of occupational retirement security tied to financial instability (Krugman 2015). In other words, policy drift and the related individualization and the financialization of retirement security is even more present in the United States today than when Hacker published his original contribution back in 2004.

Diachronic data on the case-specific empirical implications of drift also bear out this conclusion. Here, drift implies a continued decrease in retirement security among those currently employed. As table 1 suggests, workers’ confidence that they will be able to save enough for retirement, even for basic needs, has declined significantly since the 1990s. Whereas only 3 per cent of workers surveyed in 1995 reported that they were ‘not at all’ confident that they would be capable of saving enough to provide for basic needs after retirement, 16 per cent of workers said the same in 2014. Additionally, ‘More than 38 million working-age households (45 per cent) do not own any retirement account assets, whether in an employer-sponsored 401(k) type plan or an IRA [Individual Retirement Account].’

(National Institute on Retirement Security 2013) This means that the voluntary approach to retirement savings is seriously flawed and that, in the absence of greater protection from Social Security, millions of Americans face the prospect of acute retirement insecurity. In fact, ‘Access to workplace retirement plans in 2011 was at the lowest level since 1979, with just slightly over half (52 per cent) of workers able to access a retirement plan at work.’ (Emple 2013) In the lowest income quartile, barely 25 per cent of workers are saving for retirement. At the other end of the spectrum, nearly 90 per cent of people in the top quartile are enrolled in one type of retirement plan or another (Emple 2013).

(Table 1 about here)

Importantly, this pattern does not reflect a general mood about retirement savings, but a specific feeling among those affected by drift in retirement security policy. As 2014 survey results suggest, whereas both current retirees and workers report some common motivations to remain in paid work after retirement, current workers are far more likely than current retirees to report that they will stay in work to ‘make ends meet’ or to hold on to current benefits derived from employment (see figure 3). Thus, the problem for retirement security is not only the well documented and ongoing shift from defined-benefit to defined-contribution schemes but the lack of voluntary, supplemental savings now affecting more than half of the active population, especially low-income workers. This last remark stresses the strong relationship between income inequality and the decline of retirement security in the United States, a phenomenon central to US-style policy drift (Hacker 2004). To address drift and the related decline in economic retirement security, the most appropriate policy alternative might be to improve federal Social Security and social assistance (Supplemental Security Income, SSI) benefits, especially those that can improve the socio-economic status of lower-income retirees and their spouses. Yet, because this type of reform is not currently on the federal

agenda, there is little sense that federal social protection will soon be improved to tackle policy drift and improve retirement security for all.

(Figure 3 about here)**Conclusion**

The concept of policy drift is a major theoretical innovation in the field of policy research and particularly for the analysis of policy stability and change, which is the theme of this special issue. Yet to solve some of the persistent empirical challenges with studying drift, this article suggests that the analysis of policy drift should pay closer attention not only to drift's case-specific empirical implications, but also to the time frame used by researchers, an issue that was relatively neglected by Hacker (2004) and which has seldom been central to the subsequent literature on drift. Simultaneously, once again in contrast to the existing scholarship on policy drift, our article stresses the potential role of policy implementation in the potential mitigation of policy drift and its corrosive effects on economic security. In particular, in order to understand the relationship between formal revision and drift-correction, it is crucial to look at whether the institutional framework in which that formal revision is implemented allows for variation at the sub-national level. Overall this article both adds a new dimension to the use of policy drift as a tool of analysis while reinforcing the underlying importance of the concept as initially articulated. First, our analysis of recent developments in US health care policy illustrates that even when an attempt is made to reverse long-term policy drift through formal revision, it is important to track the implementation of reform, especially when the states play a major role in that implementation. Second, with regard to Social Security, the failure of the 2005 effort to partially privatise the programme illustrates the continuing resilience of that pillar of the American welfare state. However, this failure emphasizes the importance of policy drift in a social-economic environment that further weakens the protections granted by employers and other private yet publicly subsidized actors, in a context where occupational pensions remain

voluntary. While it is too early to know whether the ACA will neutralize at least significant effects of policy drift in the long run, it is already clear that, in the field of pensions, the decline of economic security Hacker identified in 2004 shows no signs of reversal.

Endnotes

1 Although the data cited here and that from the Census Bureau below are both from official US government sources, they do reflect different methods of data collection and so are not directly comparable.

2 This number includes Washington DC. It also includes seven states operating a so-called ‘state-partnership’ based marketplace and three states with what were known as ‘federally-supported marketplaces’ (Kaiser Family Foundation 2015).

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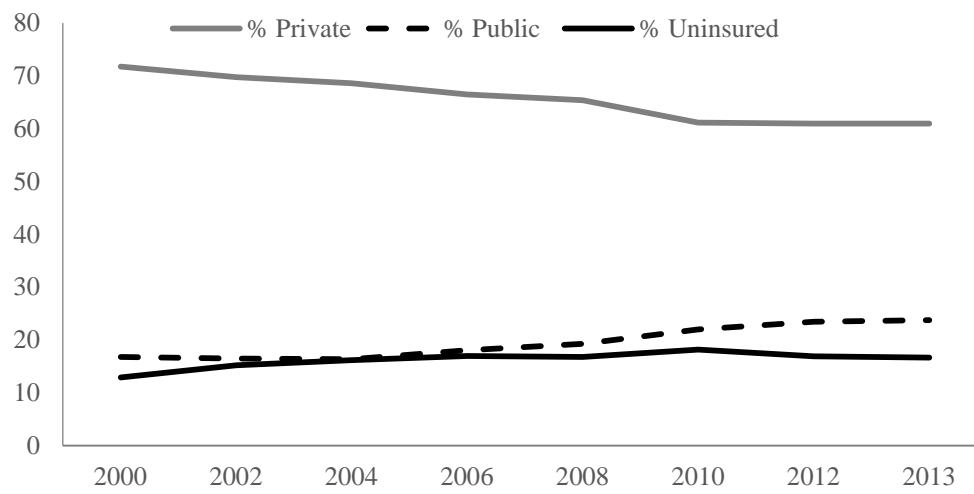
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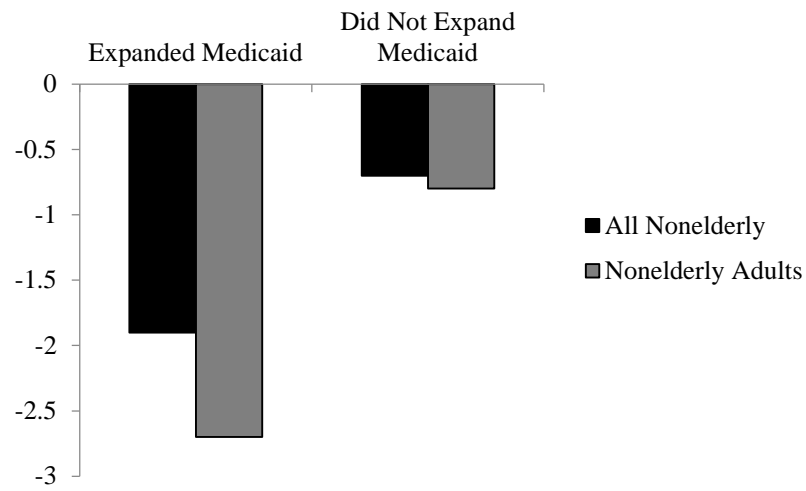
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Figure 1: Coverage Changes Among the Non-elderly, 2000–2013



Source: Kaiser Commission on Medicaid and the Uninsured (2015)

Figure 2: Decrease in Per Cent of Uninsured by State Medicaid Expansion Status, Q1 2014



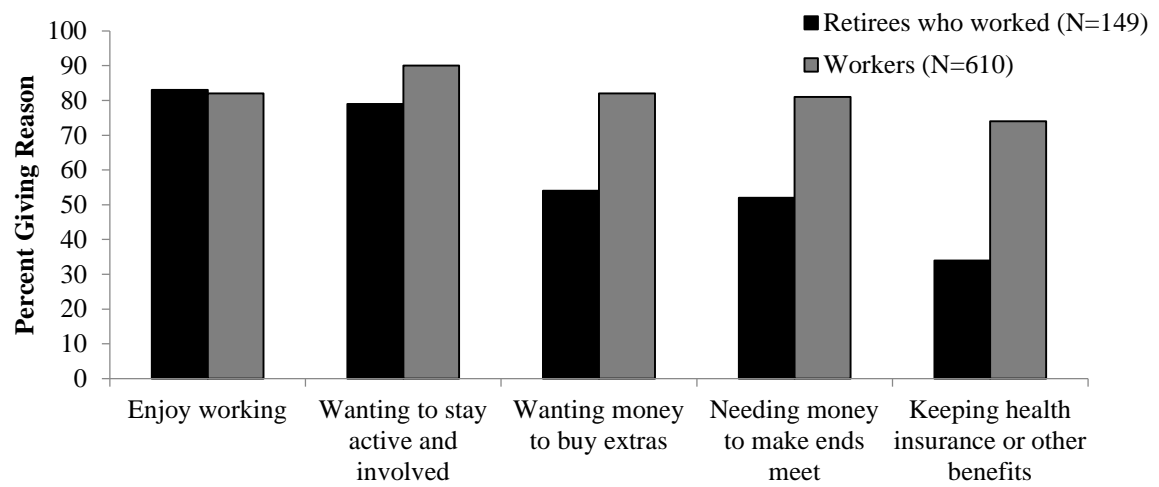
Source: National Center for Health Statistics (2014)

Table 1: Worker Confidence in Retirement Savings Capacity, 1995-2014

	Confident will be able to live comfortably		Confident will be able to pay for basic expenses	
	<i>Very confident</i>	<i>Not at all</i>	<i>Very confident</i>	<i>Not at all</i>
1995	21%	8%	38%	3%
2007	27%	10%	40%	7%
2009	13%	22%	25%	11%
2014	18%	24%	29%	16%

Source: Helman *et al.* (2014)

Figure 3: Worker and Retiree Rationales for Staying in Paid Work After Retirement, 2014



Source: Helman *et al.* (2014)