

To cite this Article: Daniel Béland, 'Neo-Liberalism and Social Policy: The Politics of Ownership', *Policy Studies*, 28 (2): 91-107. URL: <http://dx.doi.org/10.1080/01442870701309023>

NEO-LIBERALISM AND SOCIAL POLICY

The politics of ownership

Daniel Béland

This article explores President George W. Bush's 'ownership society' blueprint in comparative and historical perspective. By taking the 'ownership society' seriously, it is possible to understand how it is rooted in the US's cultural repertoire, and how it offers a coherent neo-liberal discourse aimed at constructing the 'need to reform' existing social policy legacies in the sense of a greater reliance on private savings and home ownership. Although grounded in the US repertoire, President Bush's 'ownership society' is inspired by a foreign model: Thatcher's 'popular capitalism', another neoliberal blueprint that featured a similar celebration of personal ownership. Discussing Thatcherism briefly before analysing the debate over President Bush's 'ownership society' in the fields of housing and pensions, this article explores the relationship between ideational processes and institutional legacies in policy-making.

Introduction

During and after the 2004 US presidential campaign, George W. Bush and his allies promoted a policy blueprint that promised to reshape US social policy: the 'ownership society'. According to this blueprint, the federal government should further promote home ownership and private savings in order to increase the participation of US citizens in the capitalist 'American Dream'. Although dozens of newspaper articles have been written about President Bush's 'ownership society', little scholarship about this major policy blueprint is currently available. The main objective of this article is to explore this plan in comparative and historical perspective. By taking the 'ownership society' seriously, it is possible to understand how it is deeply rooted in the US cultural repertoire, and how it offers a coherent neo-liberal discourse that may construct the 'need to reform' existing social policy legacies in the sense of a greater reliance on private savings and ownership.

Yet, although grounded in the US repertoire, President Bush's 'ownership society' is inspired by a foreign model: Thatcher's 'popular capitalism', another neo-liberal blueprint that featured a similar celebration of personal ownership. As argued later, however, the direct link between Thatcher's 'popular capitalism' and Bush's 'ownership society' should not hide a key difference between these two blueprints: when President Bush unveiled his 'ownership society' blueprint in 2004, home ownership and private retirement savings were widespread in the United States, which was not the case in 1979 in Britain, when the first Thatcher government took office. Furthermore, as opposed to Thatcher's, Bush's early 2005 push to privatise Social Security failed. Drawing partly on theoretical insights from historical institutionalism, the following analysis explains why.

This article is organised into two parts. The first half discusses the relationship between ideas and institutions in policy change before illustrating major theoretical claims through the example of social policy reform in Britain during the Thatcher years. The main focus of this discussion concerns the role of ideas and institutions in policy change, with a particular emphasis on the concept of value amplification. As argued, the celebration of ownership as a core value and a source of personal gain can become a powerful ideological tool mobilised in the political struggle over neo-liberal reform. After offering general remarks about the origin and the development of President Bush's 'ownership society' blueprint, Part Two examines the role of value amplification in the fields of housing and Social Security reform. Furthermore, in order to explain why the 2005 attempt to privatise Social Security failed, the discussion stresses the key obstacles to reform that characterise the US institutional context. At the theoretical level, the most general lesson of this article is that the analysis of policy reform should take into account the interaction between ideas and institutions in policy-making as well as the construction of perceived economic interests featured in most policy debates.

Ideas, Institutions and Policy Change: The Example of Thatcherism

Two streams of policy research are especially useful for the analysis of social policy privatisation (i.e. the replacement of redistributive programmes by personal ownership and savings accounts): the historical institutionalist literature on the impact of policy legacies and formal political institutions on policy-making; the scholarship on the role of ideas and discourse in policy change. Although distinct, these two streams of literature are not incompatible and, in recent years, a number of scholars have created a fruitful dialog between them (e.g. Béland, 2005; Campbell, 2004; Schmidt, 2002).

The existing historical institutionalist literature provides much evidence that previously enacted policies and formal political institutions affect policy outcomes. On the one hand, the constituencies and vested interests that previously enacted policies create can impact future political struggles over them. In other words: policy creates politics (Lowi, 1964). On the other hand, formal political institutions affect the manner in which interests mobilise within the policy process. Furthermore, formal institutional settings — like the parliamentary system — create specific incentives and obstacles for elected officials seeking to enact new programmes or, at least, to reform existing policy legacies (e.g. Weaver, 2000).

The example of social policy reform during the Thatcher era illustrates these two claims about the role of policy legacies and formal political institutions in policy change. First, once elected in 1979, the Thatcher government faced vested interests stemming from post-war policy legacies, which included the largest public housing system in Europe (Forrest & Murie, 1988). This meant that, when Thatcher attempted to privatise public housing and pension programmes, she confronted the prospect of a backlash from existing or even future beneficiaries, who formed a significant portion of the population. Yet, particular features of the post-war housing and pension legacies also created unique windows of opportunity for the Thatcher government (Pierson, 1994). In the field of housing, for example, the presence of a massive stock of publicly owned

houses represented a major opportunity for the Conservatives to sell them to current tenants at a low price, which could reduce potential opposition to privatisation from the beneficiaries themselves. Through the 1980 Housing Act and other measures enacted over the following years, the Thatcher government successfully launched the selling of public housing to existing tenants. This policy became quite popular in Britain and favoured a major decline in the scope of public housing in Britain (e.g. Johnson & Tanner, 1998).

In the pension domain, two institutional factors facilitated Thatcher's attempt to privatise (i.e. to encourage current participants to 'opt-out' of) the State Earnings Related Pension Scheme, better known as SERPS. First, SERPS had only been in place since the mid-1970s, and it had no current beneficiaries when the Conservatives launched their legislative pension proposals a decade later. Second, the original SERPS offered the possibility to those covered by occupational pension schemes to 'opt-out' of the public programme. This reality weakened the political support for SERPS by covering only part of the workforce and by opening the door to more lax opting-out conditions (Pierson & Weaver, 1992). It is interesting to note that these two factors contrast with the situation of the United States, where Social Security constitutes a quasi universal public pension programme that was created as early as 1935 (Pierson, 1994). In addition to existing policy legacies, formal political institutions contributed to Thatcher's relative success in reshaping housing and pension programmes. Although, the British parliamentary system creates a greater level of imputability that makes blame avoidance strategies (Weaver, 1986) more difficult to pursue, the great level of power centralisation that characterises the British polity helped Thatcher implement her neo-liberal reforms. Yet, despite this favourable institutional environment, the 1985 attempt to abolish SERPS failed amidst much political opposition for labour unions and the Labour Party, which forced the second Thatcher government to formulate a more moderate proposal that was finally enacted in 1986 (Pierson & Weaver, 1992). Although this reform favoured a gradual privatisation of the programme through the multiplication of potentially attractive opting-out choices, Thatcher's failure to abolish SERPS is a reminder that neo-liberal reform is a risky business that can face great institutional and political obstacles.

But it would be misleading to reduce the politics of housing and pension reform during the Thatcher years to the enduring weight of institutional legacies. As the literature on policy ideas and discourse suggests, political actors seeking to alter existing policy legacies must formulate coherent and attractive reform blueprints (Blyth, 2002) before constructing the 'need to reform' (Cox, 2001) such legacies through a particular discourse about economic imperatives and moral values that can make citizens and interest groups believe that reform is unavoidable and, in some contexts, that it is in their interest to support a specific policy alternative (e.g. Campbell, 2004; Schmidt, 2002; Somers & Block, 2005). Following the social movement literature on framing processes, one can argue that value amplification is a major aspect of the discourse on policy change. According to Snow and his colleagues, 'Value amplification refers to the identification, idealisation, and elevation of one or more values presumed basic to prospective constituents but which have not inspired collective action for any number of reasons' (Snow et al ., 1986, p. 469). Following this logic, by constantly referring to - and celebrating - old values present in a society's cultural repertoire, political actors attempt to construct a cultural and moral imperative

for reform that supports their own policy agenda.¹ This is exactly what happened under Thatcherism, when Conservatives mobilised an individualistic discourse about the economic and moral virtues of personal ownership in order to construct the need for social policy privatization so central to Thatcher's 'popular capitalism' blueprint. This speech from 1984 is an example among many others of the economic and moral discourse on ownership at the heart of Thatcher's push for social policy privatisation (in this case, housing):

Spreading the ownership of property more widely is central to this Government's philosophy. . . . A house is most people's biggest asset. It is a large investment, and it needs protection. . . . But a house is more than this. It is a symbol of security, and a stake in the future. People who own houses do so not just for themselves, but for their children. They do so as members of a responsible society - proud of the heritage derived from the past, glad to care for it, and eager to give the next generation a bit of capital to give them a start. I believe in home ownership because I believe in individual responsibility, and I believe that by our actions we can shape the future. (Thatcher, 1984)

This is a classic example of value amplification, where private ownership is described as a sacred value, a source of economic prosperity, and the most legitimate form of security available to workers and their families within capitalist societies. This discourse about the virtues of ownership is consistent with the possessive individualism integral to the old liberal tradition and the British cultural repertoire (MacPherson, 1962; Rubinstein, 1993). There is evidence that this type of consistent neo-liberal discourse proved essential in providing a reasoned rationale for reform in Britain (Schmidt, 2002). As the remaining sections of this article suggest, in countries like Britain and the United States, the lasting presence of old liberal values like ownership and self-reliance in a society's cultural repertoire provides powerful symbols that help legitimise the need for social policy reform. Moreover, it is crucial to note that value amplification is not necessarily distinct from the construction of perceived economic interests that may participate in the formulation of reform imperatives (Steenland, 2006). This means that the discourse about values and moral imperatives can merge with the one on the economic rationale for reform, both from a collective and from a personal standpoint (i.e. economic prosperity at large and personal gain). The following analysis provides more ground to this claim.

Yet, effective framing efforts like value amplification are only one of the conditions for policy change, and institutional factors weigh heavily on policy-making (Walsh, 2000). For example, large constituencies stemming from existing social policies may undermine reform efforts amidst a coherent framing campaign. The remarks below about Reaganism and President Bush's 'ownership society' further support this argument. In the fragmented context of 'divided government', even coherent and culturally resonant neo-liberal blueprints and framing strategies may not lead to institutional change. This is especially true when powerful constituencies related to existing policy legacies increase electoral risks stemming from privatisation or retrenchment proposals. Despite these remarks that allude to the enduring institutional obstacles to Social Security privatisation in the United States, the following analysis suggests that discourse and value amplification may impact the policy process even when the prospects for bold legislative

action remain elusive. For example, the emergence of a coherent policy blueprint and discourse can divert political attention away from some social and economic problems, or marginalise alternative types of reform (for example, welfare state expansion). All in all, the following analysis will suggest that simultaneously paying attention to institutional and ideational processes can improve our understanding of the current politics of neo-liberal policy change, in the United States and elsewhere.

The Politics of Ownership in the United States

Ronald Reagan and Margaret Thatcher are both considered powerful symbols of neo-liberalism and it is common to compare their legacies.² In the field of social policy, it is clear that the successive Thatcher governments accomplished more than the Reagan administration. As mentioned earlier, this is related to the fact that Reagan operated in the context of a ‘divided government’, where political power is far more fragmented than in Britain. Furthermore, social programmes like Social Security had helped create stronger constituencies than SERPS — for example, the American Association for Retired Persons (AARP) — further complicating the task of US conservatives (Pierson, 1994). Despite the lack of scholarly consensus on that issue, it is probably in the fields of taxation and foreign policy that the legacy of Reaganism proved the most enduring. Yet, because of their apparent failure to enact path departing social policy reforms, the Reagan administration did not activate a major reconstruction of the US policy landscape similar to the one achieved five decades earlier by Franklin Delano Roosevelt and his New Deal (Schwab, 1991; Skowronek, 1993). During the 1990s, conservatives pushed for radical social policy reforms that could complete the unfinished policy reconstruction of the Reagan era (e.g. Derthick, 2001; Quadagno, 1999). Ironically, it was President Clinton who would sign the most conservative social policy reform enacted in contemporary US society: the creation in 1996 of the Temporary Aid for Needy Families, a programme that imposed strict time limits and other workfare-style restrictions on most social assistance beneficiaries (Waddan, 2003; Weaver, 2000). Still, as evidenced later, attempts to partially transform Social Security into a savings scheme failed during President Clinton’s second mandate. Consequently, when they took office in early 2001, George W. Bush and his team could still aspire to a powerful conservative legacy through the neo-liberal restructuring of Social Security. To a certain extent, such a transformation would complete the unfinished institutional reconstruction that Reagan had launched exactly two decades earlier. During his first mandate, however, President Bush’s agenda, like Reagan’s, focused mainly on tax cuts and national security issues, especially after the terrorist attacks of September 11, 2001.

Beginning in late 2003, however, President Bush increasingly used the expression ‘ownership society’ to refer to his new domestic agenda (Kosterlitz, 2004, p. 230) The idea of ‘ownership society’ became widely present in his discourse during and after the 2004 presidential campaign (Serafini, 2005). His model for an ‘ownership society’ is nothing else than Thatcher’s own economic and social policy reforms.³ Most significantly, the core policy objectives and the ideological framing processes surrounding Bush’s pro-ownership platform is similar to Thatcher’s. Drawing on an US cultural repertoire centred on personal responsibility, possessive

individualism and self-reliance (Lubove, 1968; Steensland, 2006), President Bush and his allies constructed private ownership as the core principle of US society, a principle that must triumph against the New Deal's 'Big Government' legacy. Before exploring the framing processes and the policy proposals tied to the 'ownership society' blueprint, one must note that the present US economic and social context is very different from the one in which Thatcher's first conservative government operated. As opposed to the situation prevailing in Britain when the first Thatcher government gained power, the United States is already considered an 'ownership society', where the majority of the population owns a house and/or stocks. In a 2005 survey, for example, '72 per cent [of the respondents] said they own their house and 60 per cent have money invested in the stock market' (USA Today, 2005). Moreover, the belief that personal ownership is something great for citizens and workers is reflected in a 2003 survey showing that more than half of US citizens dream about owning their own business, while 10 per cent already do (Breedon, 2003).

On the whole, the 'ownership society' is a blueprint that subsumes and articulates well-known social and economic principles that have long been at the heart of the neoliberal vision. As early as 1964, Republican presidential candidate Barry Goldwater used some of these principles against the legacies of the New Deal and the Fair Deal (Nash, 1996). Four decades later, Bush's 'ownership society' is more than an empty slogan, as it constitutes both a coherent blueprint and a powerful neo-liberal discourse legitimizing significant - yet generally incremental - social policy change in US society. Conservatives believe that the implementation of the 'ownership society' blueprint could reinforce its electoral coalition and maintain the Republican political domination in the years to come. Grover Norquist, president of the right-wing Americans for Tax Reform, summarises these conservative hopes for ownership-centred coalition building: 'You can't have a hate-and envy class if 80 per cent of the public owns stock. That makes it impossible for Democrats to govern. It spells the end of their world' (cited in Kosterlitz, 2004, p. 231). In part for these reasons, the intense framing processes surrounding the 'ownership society' blueprint should be taken seriously.

Housing

Compared to the situation prevailing in Britain, public housing in the United States has long constituted a rather modest policy area. Authorised in the 1937 National Housing Act, public housing has faced much opposition from conservative leaders fearing 'possible competition with the private housing market and the prospect of relocating poor people, especially blacks, to more affluent neighbourhoods' (Pierson, 1994, p. 76). Targeting only the poorest citizens, public housing became increasingly associated with deprived, minority dominated inner city neighbourhoods (Popkin et al ., 2000; Vale, 2000). Although public housing significantly expanded in the late 1960s and 1970s, little more than 1 per cent of the US population lived in housing projects by 1980. Additionally, less than three per cent of the population received allowances for privately rented housing (Pierson, 1994, p. 76). Overall, federal public housing programmes proved both limited in scope and politically vulnerable.

Yet in the United States, there is another aspect of housing policy that is a crucial to what Christopher Howard labels 'the hidden welfare state:' home mortgage interest deduction

(Howard, 1997).⁴ Enacted in 1913 as part of the federal bill creating the individual income taxes, this low-profile fiscal measure has gained more political support over time. The bold expansion of these taxes during the Second World War increased the impact of the home mortgage interest deduction, which affected a far larger percentage of the population, especially members of the middle class, many of whom had to pay federal income tax for the first time ever. After the war, this policy became a major component of the federal push for private middle class residential construction. To a certain extent, home mortgage interest deduction thus became a hidden, indirect subsidy to the US construction industry (Glaeser & Shapiro, 2002, p. 2). Generally, well-off citizens disproportionately benefit from that deduction which, in 1995, represented an annual revenue loss of more than 50 billion dollars a year (Howard, 1997). Furthermore, other fiscal incentives meant to promote home ownership like deferral of capital gains on sale of principal residences cost billions of dollars annually to the federal treasury. Because home ownership is rightly viewed as a potential source of economic security (e.g. Winter, 1999), these policies are often seen as social ones, in spite of their commonly regressive nature.

During the Reagan era, Congress enacted significant cuts in federal public housing programmes. Considering that organisations defending low-income housing interests were politically weak, public housing became an easy target for conservative budget cuts. Yet, because of the comparatively small size of the US public housing system, conservative attacks against it seemed less significant institutionally and politically than Thatcher's 'right to buy' campaign (Pierson, 1994). In addition to cuts in existing public housing programmes, the 1980s witnessed something far less consistent with the Reagan administration's conservative agenda: the reduction in tax provisions that have promoted home ownership since 1913. Although the Tax Reform Act of 1986 maintained the home mortgage interest deduction, for example, lower tax rates and higher standard deductions reduced the overall fiscal value of that measure by about 20 per cent (Howard, 1997, p. 109). In the 1990s, attacks against this measure multiplied in a context of fiscal austerity. During the 1992 campaign, for example, presidential candidate Ross Perot listed cuts in the home mortgage interest deduction as one of the possible ways to reduce the federal deficit (Perot, 1992, pp. 42-43). But such proposals were never enacted, and the home mortgage interest deduction experienced a real (inflation-adjusted) growth of more than five per cent between 1980 and 1995, in spite of the negative effect of the 1986 Tax Reform Act (Howard, 1997, pp. 112-113). By and large, most fiscal measures meant to encourage home ownership in US society survived the era of budget cuts of the 1980s and 1990s.

Despite the advent of new fiscal deficits in the early 2000s, President Bush transformed tax-sponsored home ownership into a major aspect of his domestic agenda. Even though more than 70 per cent of US citizens are homeowners, the president is mainly targeting racial and ethnic minorities, who have an average rate of ownership barely above 50 per cent. The president's official goal is to 'increase the number of minority homeowners by 5.5 million families by the end of the decade' (White House, 2005). As home ownership is a popular feature of the so-called 'American dream' (Breedon, 2003), promoting ownership through modest, low-cost programmes is perhaps a good political strategy to seduce minority voters who have long shown more support for the Democratic Party:

‘For millions of individuals and families, the American Dream starts with owning a home. When families move into a home of their own, they gain independence and confidence, and their faith in the future grows. The spread of ownership and opportunity helps give our citizens a vital stake in the future of America and the chance to realize the great promise of our country.’ (Bush 2005c)

This discourse is a clear example of value amplification where the president elevates the meaning and stresses the virtues of personal ownership in order to legitimise aspects of his domestic agenda. As in Thatcher’s individualistic discourse on social policy, ownership is constructed as a sacred value and a source of autonomy that is synonymous with personal success, financial gain, and genuine economic security.

The modest nature of the measures put forward to promote home ownership contrasts strongly with the president’s optimistic and ambitious rhetoric. An example of the modest measures aimed at encouraging minorities to become homeowners is the \$US200 million-per-year American Dream Downpayment Act. This measure is meant to help about 40,000 families each year pay their down mortgage. Furthermore, the president proposed the Zero-Downpayment Initiative, a measure that would ‘allow the Federal Housing Administration to insure mortgages for first-time homebuyers without a down payment’ (ibid.). Finally, the president proposed measures to support rural home ownership.

Generally, the president frames home ownership as the best source of economic security for workers and their families. Interestingly, in a 2004 speech on housing policy, he referred to growing job insecurity in the United States to legitimise his ‘ownership society’ and, more precisely, his proposals to help first-time homebuyers.

‘Today, people are changing jobs and careers quite often, and the workforce has changed. . . . And in times of change, I understand that ownership brings stability to our neighbourhoods and security to our families. In changing times, it helps if you own something. It helps bring security to you. By paying a mortgage instead of rent, by putting money into your own retirement plan, you’re storing up wealth for your family.’ (Bush 2004)

To a certain extent, this illustrates a central aspect of neo-liberalism; accepting job insecurity and the lack of comprehensive social protection as a fate while embracing possessive individualism and personal ownership as the most, if not the only, reliable source of economic security. Instead of trusting the state to provide protection, citizens should stick to traditional ‘American values’ like personal responsibility and self-reliance in part because it is in their perceived interest to do that. What is striking about President Bush’s campaign to expand home ownership is the ideological and political logic that drives it. As opposed to the situation prevailing in Britain in the late 1970s, the United States has a comparatively high home ownership rate and yet, the president pushes for new measures to favour access to that ever-popular institution. In the meantime, public housing is facing tremendous challenges (e.g. Popkin et al., 2000) and

relatively little is done inside the beltway to correct that situation, confirming the common wisdom that, in the US field of housing at least, ‘programmes for the poor are poor programmes’ (e.g. Skocpol, 1990). The small size of the measures President Bush supports to increase home ownership among low-income families provides more ground to that common wisdom. Embedded in the ‘ownership society’ blueprint and the individualistic discourse surrounding it, the push for an increase in home ownership rates is part of a coalition-building strategy that conservatives hope could convince more members of ethnic and racial minorities to support the Republican Party.

With regard to the US housing debate, ideational analysis suggests that maintaining home ownership at the centre of the agenda helps divert policy attention away from the existing public housing crisis and that value amplification is a major aspect of the policy debate through an optimistic discourse about economic gain and the moral superiority of home ownership.

Social Security

Enacted in 1935, federal old age, survivors, and disability insurance (OASDI) is commonly known as Social Security. In contrast with the status of SERPS in mid-1980s Britain, Social Security was a mature pay-as-you-go programme when significant proposals aimed at channelling at least a portion of the payroll tax into personal savings accounts (i.e. Social Security privatisation) moved onto the federal agenda. Known as ‘the third rail of US politics’, Social Security is seen as the most popular legacy of the New Deal and, consequently, is a major source of political risks for those who dare attack it (Béland, 2005). This is why the Reagan administration, far from supporting radical reform, ultimately supported the enactment of the 1983 amendments to the Social Security Act, which made provisions for relatively minor adjustments and a rise in the retirement age from 65 to 67 that would gradually take effect between the years 2000 and 2022 (Light, 1995).

Largely because of the above-mentioned political risks, no significant Social Security reform has been enacted in the United States since 1983. From an historical institutionalist perspective, the explanation for this legislative stasis can be found through the powerful constituencies that have emerged as a feedback effect of the programme’s development as a mature pay-as-you-go system, which, as opposed to Britain’s original SERPS, has no opting out for private sector workers covered by an occupational pension. This means that Social Security generates stronger constituencies than SERPS, reinforcing its political sustainability. The imposing membership of the American Association for Retired Persons (AARP) is the symbol of the powerful institutionalised opposition to Social Security restructuring (Pierson, 1994).

Since the mid-1990s, however, these institutional factors have not prevented a growing number of US think tanks and politicians to push for Social Security privatisation. This push is related to major changes that have slowly reshaped private pensions. Over the last three decades, the United States has witnessed the swift growth of 401(k)s and other tax-sponsored savings schemes in a context where many employers moved away from traditional defined benefit plans in order to shift economic risks from the firm to workers (Hacker, 2004).⁵ In the long run, this

incremental logic could further diffuse the ‘financial culture’ among the middle class while reducing the support for Social Security among wealthier citizens. An optimistic discourse about the rewards of personal investment legitimises such forms of institutional change through rhetoric about the virtues of ‘popular finance’ (Teles, 1998). Ever-present in the mass media and political discourse, ‘popular finance’ is an optimistic, neo-liberal frame rooted in possessive individualism and the cult of private ownership. From this perspective, the development of private savings schemes is not only related to the economic interests of the financial sector and the strategies of political actors who attempt to reduce middle class support for Social Security; it is rooted in a coherent neo-liberal discourse that constitutes the foundation to what would become known as the ‘ownership society’ blueprint. As in Britain, the promotion of such a neoliberal blueprint involves value amplification, as US conservatives frame personal ownership as a supremely positive value that brings emancipation, freedom, and economic prosperity to ordinary people, especially the middle class (e.g. Ferrara & Tanner, 1998).

Ironically, it was under the democratic presidency of William Clinton that the push for ‘Social Security privatisation’ finally gained ground. Exceptional stock market performances and the multiplication of tax-sponsored private savings schemes created greater financial optimism, which in turn provided conservatives with new ideological ammunition to construct the ‘need to reform’ Social Security (Teles, 1998). In the neoliberal discourse about Social Security privatisation, the idea that this programme is a ‘bad investment’ for workers is crucial. From this perspective, the carving of personal savings accounts out of the existing programme would make workers wealthier through significantly higher returns (e.g. Ferrara & Tanner, 1998). This discourse is related to the above-mentioned idea that personal ownership is a better source of economic gain and prosperity than Social Security. This means that the value amplification discourse about ownership also constitutes an attempt to shape citizens’ perceptions of economic selfinterests.⁶

In the late 1990s, Clinton increasingly opposed privatisation, and on the Republican side, the acute perception of electoral risks stemming from that policy alternative prevented reform (Weaver, 2005). Yet, the intense debate over Social Security privatization that took place at that moment paved the way to George W. Bush’s campaign to partially transform Social Security into a savings scheme coherent with possessive individualism, personal ownership, and, more generally, neo-liberalism. As early as the spring of 2000, as the presumed Republican nominee, George W. Bush endorsed the partial privatisation of Social Security ‘saying that he favoured permitting individuals to invest a portion of their Social Security payroll tax’ (Derthick, 2001, p. 208). Once in power, the new Republican president appointed a commission on Social Security reform (Strengthening Social Security and Creating Wealth for all Americans) composed of individuals who all supported several key principles consistent with the president’s neo-liberal vision (Weaver, 2005). The day he launched that commission, the president made it clear that Social Security reform should reinforce personal ownership and possessive individualism:

‘Personal savings accounts will transform Social Security from a government IOU into personal property and real assets; property that workers will own in their own names and that they can pass along to their children. Ownership, independence, access to wealth should not be the

privilege of a few. They're the hope of every American, and we must make them the foundation of Social Security.' (Bush 2001)

This populist and neo-liberal rhetoric is analogous to Thatcher's 'popular capitalism' blueprint. In framing ownership, independence, and access to wealth as closely related principles from which all citizens should benefit, the president attempted to construct Social Security privatisation as a source of economic emancipation for workers and citizens, especially targeting the middle class. This form of value amplification depicts ownership as one of the most positive principles of US society. This elevated principle, related to core 'American values' like independence and self-reliance, legitimises the neoliberal policy proposals stemming from it. Social Security privatisation is among these principles. Because politicians who support privatisation face accusations of working for the 'special interests' of Wall Street, linking this policy alternative to the embellished idea of personal ownership constitutes an attempt to convince middle class citizens that they (and not only the financial sector) have an interest in supporting privatisation. Unfortunately for privatisers, the terrorist attacks of September 11 and the following downfall in stock-market performances reduced the visibility of and the short-term support for Social Security reform (Béland, 2005). When the presidential commission published its report in December 2001, Social Security reform had become a marginal issue on the federal policy agenda. It was only the gradual return to financial and economic prosperity in 2004 and the efforts of the Bush administration that helped move this issue back onto the federal agenda. At that moment, this issue became an explicit and central element of President Bush's new 'ownership society' blueprint.

During the 2004 presidential race and the first half year of his second presidential mandate, George W. Bush aggressively supported partial Social Security privatisation as a central aspect of this blueprint. Like Thatcher's, his rhetoric about ownership is grounded in the idea that private property and personal savings represent the best and the most legitimate source of security for the individual. For conservatives, Social Security privatisation has long been part of a broader neo-liberal agenda that aims at fighting economic redistribution while increasing the reliance of citizens and workers on individualistic, market-based forms of protection (Quadagno, 1999):

'I think government ought to promote an ownership society. We ought to encourage more people to own their own home, encourage entrepreneurs to be able to take risk and own their own business - and in this case, encourage Americans from all walks of life, if they so choose, to manage their own retirement account.' (Bush 2005a)

As mentioned earlier, this discourse is similar to Thatcher's neo-liberal rhetoric about personal ownership and the virtues of possessive individualism used to justify both housing and pension privatisation in the 1980s. More specifically, this discourse frames ownership as a source of personal autonomy while stressing the idea that citizens should take control over their own economic destiny instead of depending on unreliable state managed programmes like Social Security. Instead of directly attacking the redistributive nature of Social Security, the president draws on cultural representations about the virtues of 'choice' and self-reliance without

acknowledging that the triumph of personal ownership could actually undermine the economic security of specific segments of the population (Marmor and Mashaw 2006). Another aspect of Bush's ideological campaign is an appeal to personal gain present in Thatcher's rhetoric and in the US conservative discourse that has promoted Social security privatisation since the 1990s:

'One, the government does a lousy job on getting a good rate of return on your money. As a matter of fact, people calculate that in the Social Security system you earn about 1.8 per cent on your money. That's not a very good deal. You see, if you have a personal savings account, you could do a lot better than 1.8 per cent. A conservative mix of bonds and stocks, you can get up to 7 per cent or 8 per cent.' (Bush 2005b)

This discourse reinforces the neo-liberal wisdom that 'Big Government' is inefficient, and that individuals could do better on their own. For President Bush and his conservative allies, the state is mainly there to promote possessive individualism and personal responsibility, and the partial transformation of Social Security into a system of individual savings accounts would correspond to that neo-liberal mission. This anti-statist rhetoric emanating from the top national elected official is similar to Thatcherism's campaign against the 'nanny state'.

Yet, even with the dominance of the neo-liberal discourse on ownership, as well as the massive development of tax-sponsored savings schemes in the private sector, President Bush faced strong opposition to his proposal to allow individuals to divert some of their payroll tax contributions into personal savings accounts. Feminist groups, labour unions, the AARP, and the Democratic Party still oppose Social Security privatisation. For many of these actors, the true issue at stake is not the restoration of 'American values' through Social Security privatisation but the declining confidence in a programme that actually works (Skidmore, 1999). Against the individualistic rhetoric concerning 'American values' and the virtues of personal ownership, they tend to frame Social Security as a great national success story, while framing the need to reshape it is a pure ideological construction, a 'phoney crisis' (Baker & Weisbrot, 1999). Counter to the idea that privatisation would benefit everyone; supporters of Social Security argue that privatisation would hurt most women, African-Americans, and low-income citizens (Béland, 2005). Perhaps more importantly, despite genuine fears about the future of the programme in the context of demographic ageing, the public remained divided over the issue of Social Security privatisation (e.g. Cook et al. , 2002). For these reasons, political risks stemming from Social Security privatisation have not declined and Democrats are still willing to use the fight to preserve Social Security as a powerful electoral weapon against Republicans (Weaver, 2005).

Considering this, President Bush's campaign to privatise Social Security went nowhere. By June 2005, the president even decided to suspend his campaign, as the opposition to his proposals remained widespread. Two above-mentioned institutional factors help explain policy outcome differences between Britain and the United States. First, Social Security is a 'mature' pay-as-you-go programme that distributes pensions to the vast majority of US elderly. This situation contrasts with the one prevailing in Britain in the early-mid 1980s, when SERPS had yet to create an army of beneficiaries. The fact that Social Security has created large constituencies remains a formidable obstacle to privatisation, as Democrats are more than willing to exploit the electoral risk stemming from the existence of a large army of current and future beneficiaries

concerned about the programme's future. Second, considering the high level of power fragmentation within the US policy, reforming Social Security would require a large political consensus that remains more than elusive. From this perspective, the successive Thatcher governments had an institutional advantage over the Bush administration, as power concentration that characterises the British parliamentary system facilitated reform (Pierson, 1994).

Yet, in the United States, the absence of formal legislative reform does not mean that the discourse surrounding Social Security privatisation is inconsequential. By shifting the attention away from other possible types of Social Security reform, conservatives may have helped prevent the enactment of new measures and benefit increases that could have improved existing social protection to help citizens facing new risks related to changing socio-economic conditions (Béland, 2005; Hacker, 2004). Undoubtedly, the focus on privatisation at the centre of the 'ownership society' blueprint marginalised other policy issues like the future of Social Security's family benefits in the context of changing gender and family relations (Favreault et al. , 2001).

One can thus draw at least two major lessons from the analysis of the US debate over Social Security privatisation. First, this analysis shows how conservative politicians and their allies pushed Social Security privatisation on the federal policy agenda in the absence of a short-term fiscal crisis, which in turn, helped diverting the attention away from other problems such as the growing inadequacy of Social Security benefits for the poorest segments of the population. Second, this analysis shows how constant references to the idea of ownership helped construct the 'need to reform' Social Security privatisation (Teles,1998). From this angle, Social Security privatisation is largely about sending a clear message regarding both economic self-interests and the moral virtues of personal ownership. And, although President Bush's campaign failed, it helped transform Social Security privatisation into a mainstream policy alternative that even a president can support. In itself, this is a significant change in the US policy landscape.

Conclusion

This article stresses the role of ideas and institutions in the contemporary US housing and Social Security debates. More specifically, it explores the historical and political meaning of President Bush's 'ownership society' blueprint, by comparing it with Thatcher's own crusade in favour of social policy privatisation. At the institutional level, this study confirms the historical institutionalist assumption that policy legacies and formal political institutions can significantly affect policy outcomes. Yet, this article also suggests that paying close attention to ideational processes such as blueprint formation and value amplification can improve our understanding of the politics of policy reform. First, in order to make a case for reform, political actors must put forward coherent blueprints that can reshape the policy agenda in favour of their desired proposals (Blyth, 2002).

Second, through the process of value amplification, political actors can help construct the 'need to reform' existing policy legacies by appealing to shared values and moral imperatives, which

are often related to economic arguments about growth and prosperity. In the case of the ownership discourse, the relationship between value amplification and the shaping of interest perception is clear, as ownership is described as both a source of moral responsibility and of economic growth and personal gain. And, if institutional obstacles can prevent the enactment of coherent blueprints, ideas and discourse may still impact policy-making by shifting the attention away from specific social and economic problems, and by imposing a set of policy options as the only ones worth serious attention. To a certain extent, this is what happened in the United States under the Bush presidency. As for the comparison between Britain and the United States, institutional differences should not hide a major form of ideological convergence: in both countries, neo-liberal actors can draw on a cultural repertoire strongly rooted in the liberal tradition, which is not generally the case of for their counterparts from Continental Europe. For example, French policy-makers found it hard to formulate a coherent neoliberal discourse and blueprint for the very simple reason that old liberal ideas and values fare poorly in their country. Instead, they must paradoxically rely on the idea of solidarity at the core of the French Republican tradition and cultural repertoire (Béland & Hansen, 2000; Lamont, 2000). So, although President Bush and his allies find it difficult to implement his ‘ownership society’ blueprint, they have access to powerful cultural and ideological resources that allow them to construct an explicitly neo-liberal and culturally resonant platform that can have a significant and lasting impact on the policy agenda.

The contrast between France and the United States points to a major issue that should stimulate future research on both neo-liberalism and the role of ideas and frames in policy processes. On the one hand, neo-liberalism is a transnational economic perspective that is influential across the globe (Blackburn, 2004). On the other hand, cultural repertoires that neo-liberal actors draw upon to legitimise their agenda are largely national constructions. In the case of liberal countries like Britain and the United States, the potential clash between these transnational and national levels is hardly striking. But one could argue that it is not the case in other countries like France, Germany, and Sweden. This is one of the reasons why more research is needed on these crucial issues.

NOTES

1. The concept of repertoire refers to a relatively coherent set of cultural symbols mobilized during social and political debates (Marx Ferree 2003).
2. Based on the idea that markets are more efficient than states at distributing resources and regulating the economy, neo-liberalism promotes privatization and the application of market solutions to public policy issues.
3. The President’s chief advisor, Karl Rove, explicitly referred to a book about Thatcherism during recent private White House meetings related to the ‘ownership society’ blueprint (Charter 2005).
4. The two following paragraphs draw extensively on Howard’s book (1997).
5. In 2003, the Pension Benefit Guaranty Corporation (PBGC) ‘insured about 29,500 single employer defined benefit plans, down from an all-time high of 112,000 plans in 1985. This decline primarily reflects a large number of terminations among small plans’ (PBGC 2003: 11).

6. Furthermore, U.S. conservatives exploited growing fears about the negative fiscal consequences of demographic ageing on Social Security (Béland, 2005).

REFERENCES

- BAKER, D. & WEISBROT, M. (1999) *Social Security: The Phony Crisis*, Chicago: University of Chicago Press.
- BÉLAND, D. (2005) *Social Security: History and Politics from the New Deal to the Privatization Debate*, Lawrence, KS: University Press of Kansas.
- BÉLAND, D. & HANSEN, R. (2000) 'Reforming the French welfare state: solidarity, social exclusion and the three crises of citizenship', *West European Politics*, vol. 23, no. 1, pp. 47-64.
- BLACKBURN, R. (2004) *Banking On Death: Or Investing in Life: The History and Future of Pensions*, London: Verso.
- BLYTH, M. (2002) *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century*, Cambridge: Cambridge University Press.
- BREEDEN, R. (2003) 'Ownership values', *Wall Street Journal*, November 18: B4.
- BUSH, G.W. (2001) Remarks by the President in Social Security Announcement, Washington, DC: May 2.
- BUSH, G.W. (2004) President's Remarks to the National Association of Home Builders, Columbus, OH: October 2.
- BUSH, G.W. (2005a) Speech to Social Security Conversation in New York, Greece, NY: May 24.
- BUSH, G.W. (2005b) Speech on Strengthening Social Security for Younger Workers, Milwaukee: May 19.
- BUSH, G.W. (2005c) National Homeownership Month, 2005: A Proclamation by the President of the United States of America, Washington, DC: White House Office of the Press Secretary, May 25.
- BROWNLEE, E. & GRAHAM H. D. (eds) (2003) *The Reagan Presidency: Pragmatic Conservatism and Its Legacies*, Lawrence, KS: University Press of Kansas.
- CAMPBELL, J. (2004) *Institutional Change and Globalization*, Princeton: Princeton University Press.
- CHARTER, D. (2005) 'Which Tory mother has the White House in her grip?', *London Times*: February 17.
- COOK, F.L., BARABAS, J. & PAGE, B.I. (2002) 'Invoking public opinion: policy elites and Social Security', *Public Opinion Quarterly*, vol. 66, pp. 235-264.
- COX, R.H. (2001) 'The social construction of an imperative: why welfare reform happened in Denmark and the Netherlands but not in Germany', *World Politics*, vol. 53, pp. 463-498.
- DERTHICK, M. (2001) 'The evolving old politics of social security', in *Seeking the Center: Politics and Policymaking at the New Century*, eds M.A. LEVIN, M.K. LANDY & M. SHAPIRO, Washington, DC: Georgetown University Press, pp. 193-214.
- FAVREAUULT, M.M., SAMMARTINO, F.J. & STEUERLE, C.E. (eds) (2001) *Social Security and the Family: Addressing Unmet Needs in an Underfunded System*, Washington, DC: Urban Institute.

- FERRARA, P.J. & TANNER, M. (1998) *Common Cents, Common Dreams: A Layman's Guide to Social Security Privatization*, Washington, DC, Cato Institute.
- FORREST, R. & MURIE, A. (1988) *Selling the Welfare State: The Privatization of Public Housing*, London: Routledge.
- GLAESER, E.L., & SHAPIRO, J.M. (2002) *The Benefits of the Home Mortgage Interest Deduction*, Cambridge, MA: Harvard Institute of Economic Research, Discussion Paper Number 1979 (October).
- HACKER, J.S. (2004) 'Privatizing risk without privatizing the welfare state: the hidden politics of social policy retrenchment in the United States', *American Political Science Review*, vol. 98, no. 2, pp. 243-260.
- HOWARD, C. (1997) *The Hidden Welfare State: Tax Expenditures and Social Policy in the United States*, Princeton, NJ: Princeton University Press.
- JOHNSON, P. & TANNER, S. (1998) 'Ownership and the distribution of wealth', *Political Quarterly*, vol. 69, no. 4, pp. 365-374.
- KOSTERLITZ, J. (2004) 'The Ownership Society', *National Journal*, vol. 36, no. 4, pp. 230-237.
- LAMONT, M. (2000) *The Dignity of Working Men: Morality and the Boundaries of Race, Class, and Immigration*, New York/Cambridge, MA: Russell Sage Foundation/Harvard University Press.
- LIGHT, P.C. (1995) *Still Artful Work: The Continuing Politics of Social Security Reform*, New York: McGraw-Hill.
- LOWI, T.J. (1964) 'American business, public policy: case-studies, and political theory', *World Politics*, vol. 16, pp. 677-715.
- LUBOVE, R. (1968) *The Struggle for Social Security, 1900-1935*, Pittsburgh, PA: University of Pittsburgh Press.
- MACPHERSON, C.B. (1962) *The Political Theory of Possessive Individualism: From Hobbes to Locke*, Oxford: Clarendon Press.
- MARMOR, T.R. & MASHAW, J.L. (2006) 'Understanding social insurance', *Health Affairs*, vol. 25, no. 3, pp. 114-134.
- MARX FERREE, M. (2003) 'Resonance and framing', *American Sociological Review*, vol. 109, no. 2, pp. 304-344.
- NASH, G.H. (1996) *The Conservative Intellectual Movement in America since 1945*, Wilmington: Intercollegiate Studies Institute.
- PBGC (2003) *Pension Insurance Data Book 2003*, Washington, DC: Pension Benefit Guaranty Corporation.
- PEROT, R. (1992) *United We Stand: How We Can Take Back Our Country*, New York: Hyperion Books.
- PIERSON, P. (1994) *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment*, New York, NY, Cambridge University Press.
- PIERSON, P. & WEAVER, R.K. (1992) 'Imposing losses in pension policy', in *Do Institutions Matter? Government Capabilities in the U.S. and Abroad*, eds R.K. WEAVER & B. ROCKMAN, Washington, DC: Brookings Institution.
- POPKIN, S.J. et al. (2000) *The Hidden War: Crime and The Tragedy Of Public Housing in Chicago*, New Brunswick, NJ: Rutgers University Press.

- QUADAGNO, J. (1999) 'Creating a capital investment welfare state', *American Sociological Review*, vol. 64, no. 1, pp. 1-10.
- RUBINSTEIN, W.D. (1993) *Capitalism, Culture and Decline in Britain, 1750-1990*, London: Routledge.
- SCHMIDT, V.A. (2002) *The Futures of European Capitalism*, Oxford: Oxford University Press.
- SCHWAB, L.M. (1991) *The Illusion of a Conservative Revolution*, New Brunswick, NJ: Transaction Publishers.
- SERAFINI, M.W. (2005) 'One more for the ownership society', *National Journal*, vol. 37, no. 11, pp. 783.
- SKIDMORE, M.J. (1999) *Social Security and Its Enemies*, Boulder, CO: Westview.
- SKOCPOL, T. (1990) 'Sustainable social policy: fighting poverty without poverty programmes', *The American Prospect*, vol. 1, no. 2, pp. 58-70.
- SKORONEK, S. (1993) *The Politics Presidents Make*, Cambridge, MA: Harvard University Press.
- SNOW, D.A. et al. (1986) 'Frame alignment processes, micromobilization, and movement participation', *American Sociological Review*, vol. 51, pp. 464-481.
- SOMERS, M. & BLOCK, F. (2005) 'From poverty to perversity: ideas, markets, and institutions over 200 years of welfare debate', *American Sociological Review*, vol. 70, no. 2, pp. 260-287.
- STEENSLAND, B. (2006) 'Cultural categories and the American welfare state: the case of guaranteed income policy', *American Journal of Sociology*, vol. 111, no. 5, pp. 1273-1326.
- TELES, S.M. (1998) 'The dialectics of trust', paper presented at the annual meeting of the APPAM (New York City).
- THATCHER, M. (1984) *Speech to National Housebuilding Council*, London: December 12.
- USA TODAY (2005) 'Some decisions easier to "own", new poll finds', *USA Today*, March 22.
- VALE, L.J. (2000) *From the Puritans to the Projects: Public Housing and Public Neighbors*, Cambridge, MA: Harvard University Press.
- WADDAN, A. (2003) 'Redesigning the welfare contract in theory and practice: just what is going on in the USA?', *Journal of Social Policy*, vol. 32, no. 1, pp. 19-35.
- WALSH, J.I. (2000) 'When do ideas matter? Explaining the successes and failures of Thatcherite ideas', *Comparative Political Studies*, vol. 33, no. 4, pp. 483-516.
- WEAVER, R.K. (1986) 'The politics of blame avoidance', *Journal of Public Policy*, vol. 6, pp. 371-398.
- WEAVER, R.K. (2000) *Ending Welfare as We Know It*, Washington, DC: Brookings Institution Press.
- WEAVER, R.K. (2005) 'Public pension reform in the United States', in *Ageing and Pension Reform around the World: Evidence from Eleven Countries*, eds G. BONOLI & S. TOSHIMITSU, Cheltenham: Edward Elgar, pp. 230-251.
- WHITE HOUSE (2005) *Increasing Home Ownership*, Washington, DC: White House. [Bhttp://www.whitehouse.gov/infocus/homeownership/](http://www.whitehouse.gov/infocus/homeownership/)
- WINTER, I. (1999) 'Home ownership and social policy in an ageing society', *Family Matters*, no. 52, pp. 9-11.