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Governing social marginality

Welfare, incarceration, and the transformation of state policy

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Abstract

Rapid growth of the US penal population over the last two decades has coincided with a decline in the number of welfare recipients. While shifts in crime rates, economic and political considerations most commonly account for variations in incarceration, we place the rise in incarceration levels in the institutional context of welfare state retrenchment. An analysis of state-level incarceration rates between 1975 and 1995 indicates that large penal systems are found in states with weak welfare systems. The negative relationship between welfare and incarceration grows over time, suggesting the emergence of a novel kind of penal-welfare regime in the late 1980s and 1990s. Although welfare state retrenchment is often interpreted as a kind of market deregulation, our analysis suggests that declining support for social welfare is part of a punitive policy development in which the state has a substantial and active role.

Key Words

imprisonment • race • social control • state policy • welfare

The US criminal justice system has grown at a spectacular pace in recent decades. Between 1980 and 2000, the number of people incarcerated in the United States increased by 300 percent, from 500,000 to nearly 2 million (Sentencing Project, 2000). The share of the population behind bars has also grown rapidly, and the parole and probation populations now include 3.8 million persons. By 1998, nearly 6 million people – almost 3 percent of the adult population – were under some form of correctional supervision (BJS, 1998; Butterfield, 1998). The impact of these developments has fallen disproportionately on young African-Americans and Latinos. By 1994, one of every three black males between the ages of 18–34 was under some form of correctional supervision, and the number of Hispanic prisoners has more than quintupled since 1980 (Currie, 1998: 14). These developments are not primarily the consequence of rising crime rates,

but rather of the 'get-tough' policies of the wars on crime and drugs (Tonry, 1995; Donziger, 1996; Beckett and Sasson, 2000).

Like penal policy, social policy has become more punitive. Several decades ago, the civil and welfare rights movements sought to expand the war on poverty programs. As a result, the 'welfare rolls' grew dramatically: while fewer than 600,000 families applied for AFDC benefits in 1960, more than 3 million Americans received such benefits by 1972 (Piven and Cloward, 1979). After the election of Ronald Reagan to the presidency in 1980, however, policy efforts to support and integrate the poor were sharply curtailed. The 1981 Omnibus Budget Reconciliation Act (OBRA) reduced real spending on employment assistance and training, unemployment compensation, and Aid to Families with Dependent Children, the main welfare program for poor families with children. Driven by a philosophy of self-reliance and justified by claims of 'welfare fraud,' OBRA removed nearly half a million working families from AFDC rolls between 1981 and 1983 alone (Danziger and Gottshcalk, 1995: 25). Recent welfare reform measures have further reduced welfare caseloads: the number of families receiving AFDC declined by 44 percent between 1993 and 1998 (Administration for Children and Families, 1999). The average benefit payment to families entitled to AFDC has also declined considerably, from $376 in 1975 to $220 in 1995 (measured in 1983 dollars). In short, both penal and social policy have become harsher and more exclusionary.

In this article we explore the idea that the simultaneity of these developments is not coincidental, but reflects a larger shift in the governance of social marginality.[1] Specifically, we borrow the concept of 'policy regimes' to explore the hypothesis that penal and social welfare institutions comprise a single policy regime aimed at the problems associated with deviance and marginality. In his analysis of variation in types of modern capitalist societies, Esping-Anderson (1990) uses the term 'policy regime' to describe the clustering of particular kinds of social and economic policies in 20th-century welfare states. According to Esping-Anderson, each cluster is characteristic of a particular kind of welfare state policy regime. For example, liberal welfare states are characterized by means-tested assistance programs offering minimal benefits, modest universal transfers and social insurance programs, and strict eligibility rules (1990: 26). By contrast, social-democratic regimes offer more generous benefits and services, the aim of which is to bestow upon workers rights and services commensurate with those enjoyed by the middle classes (1990: 27). According to Esping-Anderson, these policy regimes, once formed, are stable and enduring over time.

Drawing on the concept of the 'policy-regime,' we suggest that welfare and penal institutions comprise a single policy regime aimed at the governance of social marginality. In the contemporary United States, these regimes vary according to their commitment to including or excluding marginal groups. Inclusive regimes emphasize the need to improve and integrate the socially marginal and tend to place more emphasis on the social causes of marginality. These regimes are therefore characterized by more generous welfare programs and less punitive anti-crime policies. By contrast, exclusionary regimes emphasize the undeserving and unreformable nature of deviants, tend to stigmatize and separate the socially marginal, and are hence more likely to feature less generous welfare benefits and more punitive anti-crime policies.[2] On the basis of this formulation, we hypothesize that governments that provide more generous welfare benefits have lower

incarceration rates, controlling for other relevant factors, while governments that spend less on welfare incarcerate a larger share of their residents.[3]

State-level data provide a unique opportunity to assess this argument. As striking as the general increase in incarceration rates and decrease in welfare spending have been, substantial inter-state variation in levels of incarceration and welfare spending persists (and may actually be growing). In 1995, for example, the state prison incarceration rate was 677 per 100,000 residents in Texas but just 95 in North Dakota and 105 in Minnesota (BJS, 1999). Similarly, in 1975, the average AFDC payment (in 1983 dollars) ranged from $91 a month in Mississippi to $604 in Hawaii. This variation persists, but average benefits have fallen. By 1995, Mississippi continued to provide the lowest average benefit of $78 a month, while Alaska was most generous at $475 (also 1983 dollars).

In what follows, we analyze state-level incarceration rates to assess our argument that as components of a single policy-regime, welfare spending and incarceration rates will be systematically (negatively) related. However, we also want to know whether this relationship, if it exists, is a stable one. We therefore specify a model that allows us to see if the relationship between these policy sectors changes over time. The results of this analysis provide partial support for our argument, indicating that by 1995, but not in 1975 or 1985, welfare and incarceration were strongly negatively related; states with less generous welfare programs incarcerated at a significantly higher level, while those with more generous welfare programs imprisoned a smaller share of their residents. Our results also show that in the 1990s, states with larger minority populations incarcerated a larger share of their population. We conclude with a discussion of these findings and their implications for our conceptual framework.

SOCIAL AND PENAL POLICY: HISTORICAL AND CONTEMPORARY DEVELOPMENTS

The idea that both social and penal policy are components of a government's response to social marginality has a rich sociological pedigree. Rusch and Kircheimer were among the first to treat penal institutions as connected to non-penal social policy and institutions[4] (Rusch and Kircheimer 1939; see also Garland 1990: 91). In *Punishment and Welfare* (1985), David Garland developed this argument much more explicitly, showing that the transformation of social and penal policy in late 19th and early 20th-century Britain was part of a larger shift in the regulation of social marginality. Garland argues that Victorian penal policies reflected the individualistic laissez-faire philosophy of free-market capitalism. At the turn of the century, however, a 'crisis of social regulation' triggered by the growth of the 'disreputable' classes shattered consensus around this approach and created widespread support among elites for large-scale state intervention in the administration of poverty. As the century progressed, penal and social policy increasingly reflected the idea that this government intervention could and should reform and integrate the socially marginal. According to this new philosophy (which Garland terms 'penal-welfarism' or, sometimes, 'penological modernism,' deviant behavior is at least partially caused (rather than freely chosen), although the nature of these causes was thought to vary from case to case. Penological modernists therefore identified rehabilitation – operationally defined as the use of 'individualized, corrective

measures adapted to the specific case' – as the most appropriate response to deviant behavior (Garland, 1985: 187). The ability of penological modernists to inscribe these beliefs in British criminal justice policy and institutions reflected their compatibility with the philosophy of the welfare state, as well as growing support among elites for welfarist government intervention (Garland, 1985; see also Rose, 1996).

Accounts of the transformation of US social and penal policy in the early 20th century also provide evidence for the idea that these policy sectors comprise a single policy-regime aimed at social marginality (see especially Sutton, 1997a; Rothman, 1980). Like Garland, these analysts document a shift in the early 20th century from a liberal, 'free market' to a welfarist approach to social marginality characterized by faith in the ability of government agents and professionals to reform and integrate the socially marginal. This new welfarist philosophy, they suggest, served as the foundation of both criminal justice and social welfare practices in most western countries, although it has co-existed somewhat uneasily with on-going concern about deterrence (Sparks, 1996; Vaughan, 2000). As Sutton concludes, 'criminal justice and welfare policies in modern democracies are historically intertwined – that they are, in effect, sub-discourses within a larger policy discourse about the management of social marginality' (1997a: 3).

Beginning in the 1960s, the goals and suppositions of the welfarist paradigm came under attack. In the penal sphere, conservatives opposed rehabilitation on the grounds that punishment must be harsh and painful if it is to deter crime. Liberals also criticized policies associated with rehabilitation, arguing that the open-ended ('indeterminate') sentences that ostensibly rewarded 'rehabilitated' offenders also created the potential for the intrusive, discriminatory, and arbitrary exercise of power. Under the weight of these critiques, the rehabilitative project was called into question. Since that time, the goals of incapacitation, deterrence and retribution have enjoyed something of a renaissance, and the US penal system has expanded dramatically.

As we have seen, this development coincided with efforts to scale back the welfare state. Indeed, over the past several decades, the proper role of government in economic and social life has become the subject of intense controversy. Social policies based on Keynesian economic theory such as redistributive tax schemes, labor support measures, and especially welfare programs aimed at the poor have come under attack. In response to these cuts in state assistance to the poor, child poverty rates in the 1980s and 1990s have been about one-third higher than in the 1970s (Danziger and Gottschalk, 1995: 67). The severity of poverty has also increased: the average payment required to lift the poor above the poverty line was more than 20 percent higher in the 1980s and early 1990s than in the 1970s (Danziger and Weinberg, 1995: 33). As Garland concludes: 'One might say that we are developing an official criminology that fits our social and cultural configuration – one in which amorality, generalized insecurity and enforced exclusion are coming to prevail over the traditions of welfarism and social citizenship' (1996: 462).

Like the historical research just described, analyses of contemporary political discourse document a close connection between policy debates over poverty and discussions of crime and punishment (Katz, 1989; Morris, 1994; Gans, 1995; Schram, 1995; Beckett, 1997). According to this research, the reconceptualization of the nature and causes of the problems associated with social marginality has legitimated the shift away from welfarism in both the penal and social spheres. Contemporary political discourse tends to

frame discussions of problems such as homelessness as security issues rather than social problems, is quite pessimistic about the possibility of integrating the socially marginal, and places more emphasis upon the dangerous and undeserving nature of the poor than was the case earlier in the century. This discourse also emphasizes individual responsibility for social problems, although it simultaneously identifies welfare programs and the 'culture of welfare' as important causes of crime (Beckett, 1997), and stresses the need to exclude those who fail to conduct themselves 'responsibly'. To the extent that such rhetoric and images become pervasive, they may have important consequences. As Michael Katz (1989: 185–6) suggests, 'when the poor seemed menacing, they became the underclass' (see also Morris, 1994; Schram, 1995). In short, these studies suggest that there has been an assault on the modernist paradigm, in which the logic of welfarism and rehabilitation predominated in both the penal and welfare sectors. Politicians have made a concerted effort to promote conceptions of social marginality that imply the need for more exclusionary and security-minded responses to marginal groups and individuals. As a result, discussions of social marginality are increasingly framed in terms of the need for heightened security, and the logic of social control and social exclusion permeates both penal and welfare institutions.

DATA AND ANALYSIS

It appears, then, that the social and penal spheres are components of a policy-regime concerned with the governance of social marginality. We have argued that in the contemporary United States, these regimes vary according to their commitment to including or excluding marginal groups. As was discussed earlier, inclusive regimes emphasize the social causes of marginality and are more optimistic about the capacity of the government to reform and integrate those seen as marginal. As a result, these regimes are characterized by more generous welfare programs and less punitive anti-crime policies. By contrast, exclusive regimes have a more pessimistic theory of deviance, one that emphasizes the undeserving and unreformable nature of deviants. These regimes see exclusion and separation as the best that government can accomplish, and are therefore characterized by less generous welfare benefits and more punitive anti-crime policies. We therefore hypothesize that state governments that provide more generous welfare benefits will also have lower incarceration rates, while those with less generous welfare programs will have higher incarceration rates (controlling for other relevant factors).

Ranking the states from most to least punitive and comparing the average welfare payments of each of these groups provides preliminary support for our hypothesis that welfare generosity and incarceration rates are negatively related (see Table 1).

In what follows, regression analysis is used to determine whether this apparent correlation is a spurious one. We also want to know whether the negative relationship between welfare and incarceration, if it exists, is consistent over time. The literature discussed above leads to somewhat contradictory hypotheses on this question. On the one hand, the policy regimes described and analyzed by Esping-Anderson are quite stable and enduring over time. On the other hand, the historical research and analyses of contemporary political discourse discussed earlier show that social and penal policy became interconnected at particular historical moments. Welfare and penal policy respond to changing political and cultural conditions, as well as to political efforts to alter prevailing conceptions of

TABLE 1 Incarceration rate, welfare spending, and demographic characteristics in the 10 most and 10 least punitive states

	Incarceration rate	Welfare score	Black population (%)	Minority population (%)
Punitive states				
Texas	717	–4.1	12.1	42.3
Louisiana	672	–5.1	31.0	35.6
Oklahoma	617	–3.3	7.5	20.4
South Carolina	536	–4.5	30.6	32.7
Nevada	518	–0.5	6.7	23.1
Arizona	484	–4.8	3.0	30.8
California	475	–1.5	7.9	48.8
Georgia	472	–3.3	27.3	30.7
Michigan	457	2.7	14.6	19.3
Delaware	443	–2.7	18.1	23.2
Non-punitive states				
North Dakota	112	–1.9	.6	6.4
Minnesota	113	5.0	2.5	7.2
Maine	124	–1.1	.4	2.2
Vermont	140	2.7	.3	2.1
West Virginia	174	–2.2	3.2	4.3
New Hampshire	184	0.4	.6	3.1
Nebraska	200	–2.1	3.9	8.7
Utah	205	–1.3	.7	10.3
Rhode Island	213	5.9	4.2	12.7
Washington	233	3.3	3.1	15.6
Punitive state average	539	–2.7	15.8	30.7
Non-punitive state average	170	.9	2.2	7.1
National average	389	0	12.6	26.8

Note: Data for the incarceration rates are 1997 data and are taken from Proband (1998). Welfare scores measure state spending on Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), unemployment insurance, all non-tertiary education spending, food stamps, and Medicaid. Average welfare score and black and minority populations are 1995 data.

social marginality. For example, the analyses of political discourse discussed above suggest that social and penal policy became more ideologically coherent in response to the Reagan and Bush administrations' attempts to alter public perceptions of policy regarding social marginality. The implication of this analysis is that 'policy-regimeness,' if it exists, may be historically contingent, and therefore variable rather than constant. We therefore specify a model that allows us to see if the relationship between these sectors changes over time. To study the relationship between welfare and incarceration both before and after the 1980s (a time in which political leaders clearly attempted to legitimate and

institutionalize the exclusionary approach to social marginality), we examine data from the 50 US states in 1975, 1985, and 1995.

Table 2 describes the variables used in our analysis. Because we are interested in state-level policy effects, the dependent variable is the state prison incarceration rate (i.e. the number of state prison inmates per 100,000 adult population). This figure does not include inmates housed in federal prisons or local jails. Although state policies do influence the size of the jail population, about half of all jail inmates are awaiting trial. The size of the jail population is thus significantly affected by prosecution and court practices, as well as by local police priorities. For example, some localities largely ignore marijuana offenders, while others vigorously pursue them. Six states have combined jail and prison systems. Omitting these states and a few observations with missing data yields a total sample size of 128 state-years.

Our key independent variable measures the generosity of the state welfare system. This welfare variable includes measures of state spending on Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), unemployment insurance, all non-tertiary education spending, food stamps, and Medicaid. All spending measures were converted to constant 1982 dollars. To obtain a comparable measure of welfare effort, we divided total spending in each program area by the estimated number of recipients. For instance, education spending is scaled by the number pupils in the state school system. These adjusted spending measures were then standardized and summed, yielding an index that measures the generosity of the state welfare system. (We experimented with a variety of different welfare measures, including AFDC benefit levels and several combinations of programs. All measures provided substantively similar results.)

Previous research indicates that the size of the African-American population has a pronounced effect on criminal justice outcomes (Jackson and Carroll, 1981; Bridges et al., 1987; Bridges and Crutchfield, 1988; McGarrell et al., 1992; McGarrell, 1993; Yates, 1997). This finding is typically interpreted as evidence that minorities are subject to a greater degree of surveillance than are whites, although it is also possible that non-whites are more likely to engage in illegal behaviors not captured by the crime data included in the analysis. In one model, we also use the size of the black population as our measure of racial heterogeneity to estimate the effect of the black population on incarceration rates. In a second model, we experimented with a broader category – racial minority – to assess the influence of the size of the non-white population on incarceration. The size of the minority population was estimated as the percentage of the state population identified as Asian, Native American, African-American, or Hispanic. There is also reason to suspect that poverty levels are related to incarceration rates: poor people in general and the urban poor in particular tend to be more vulnerable to state surveillance than their middle-class and suburban counterparts (Bridges and Crutchfield, 1988). The poor may also be more likely to engage in illegal behaviors that are not measured in the Uniform Crime Reports (UCR) crime data, such as selling drugs, engaging in prostitution, or pan-handling, that put them at higher risk of such control. We therefore included measures of a state's poverty rate in our analysis.

A number of researchers representing a broad spectrum of approaches argue that crime rates affect levels of incarceration (see Zimring and Hawkins, 1991). The evidence for this proposition is mixed. Crime rates are positively associated with incarceration rates in some national time-series analyses and cross-sectional studies of the US states (Taggart

and Winn, 1993; Jacobs and Helms, 1996). Others have found that violent crime rates are more strongly related to incarceration than are property crime rates (Jankovic, 1980; Carroll and Doubet, 1983; Michalowski and Pearson, 1990). Still other studies report that crime and incarceration rates are largely unrelated (see Zimring and Hawkins, 1991; Davey, 1998). To control for the influence of crime on incarceration, we included state-level violent and property crime rates reported in the UCR. These crime rates are based on the number of crimes known to the police and reported by them to the FBI. In recent decades, heightened awareness of the problem of crime has increased people's willingness to report their crimes to the police (O'Brien, 1996; Boggess and Bound, 1997). There is also evidence that the police have become more likely to record these reports (Jenks, 1991; O'Brien, 1996; Rand et al., 1997). To the extent that the UCR data are measuring the increased willingness of the public and the police to report and record crimes, our results probably over-state the association of crime rates with (rising) incarceration rates.

To assess the impact of economic and demographic factors on imprisonment, we also included the state's gross product, unemployment and poverty rates, and the size of its urban population. The idea that incarceration rates and economic conditions are highly related finds its clearest expression in the work of Rusch and Kircheimer (1939), who argued that penal forms and institutions are shaped by their economic context, especially the size of the available labor pool. Support for this hypothesis is also uneven. Chircos and Delone's (1992) review of 44 analyses of the relationship between levels of unemployment and incarceration reports that 60 percent of these studies find a significant, independent, and positive unemployment effect. Since the pioneering work of Rusche and Kirscheimer, researchers have also explored the more general notion that social inequality and penal severity are related (see especially Melossi, 1993). A number of studies have found that economic inequality is positively related to penal severity (Killias, 1986; Wilkins and Pease, 1987: 21; Gottfredson and Clarke, 1990: 119–25; Wilkins, 1991: 97; Jacobs and Helms, 1996, 1997; Greenberg, 1999). However, because measures of income inequality are highly correlated with our measure of welfare generosity, they were not included in the analysis presented here.

Finally, because Republicans have historically campaigned on law and order platforms, researchers have estimated the effects of the legislative strength of the Republican party at both the state and national level (Jacobs and Helms, 1996), as well as the effect of Republican control of the presidency (Jacobs and Helms, 1999). In both cases, partisan politics were found to be significant determinants of incarceration rates. To measure the impact of partisan politics, we included Republican Party representation in state legislatures, lagged by two years.[5]

RESULTS AND DISCUSSION

Table 3 reports the regression results for models that include the size of the African-American population as the measure of racial heterogeneity. The results of analyses including main effects (i.e. effects for all years) of welfare spending and the size of the black population are reported in the first two columns. The results of interaction models that allow the effects of welfare and the black population to vary across the three time points are reported in the final two columns. The results of the main effects models

TABLE 2 Description of variables

VARIABLE NAME	DESCRIPTION
Dependent variable	
Incarceration rate	Sentenced and unsentenced prison inmates in state prison facilities per 100,000 state adult population
Independent variables	
Welfare	An additive scale that sums measures of state spending on AFDC, unemployment benefits, education, food stamps, supplemental security income, and Medicaid
Percent black	Percentage of the state population identified as African-American (includes black Hispanics)
Percent minority	Percentage of the state population identified as Asian, Native American, African-American, and/or Hispanic
Violent crime	Number of homicides, rapes, robberies, and aggravated assaults per 100,000 population known to the police and compiled in the FBI Uniform Crime Reports
Property crime	Number of burglaries, larcenies, and auto thefts per 100,000 population known to the police and compiled in the FBI Uniform Crime Reports
Unemployment	Percentage of the civilian adult population defined as unemployed
Poverty	Percentage of state residents falling below the poverty line
Urban	Percentage of state's population living in metropolitan areas
Republican	Percentage of state legislators who are Republican, lagged by two years

Note: Data on ethnicity ('Spanish origin') included in our estimate of the minority population in 1975 are from 1976. Estimates of the size of the urban (metropolitan) population included in the 1995 analysis are 1996 estimates. All other data are for 1975, 1985, and 1995.

indicate that state social welfare effort is negatively related to incarceration when data from the three time points are analyzed together. A four-point rise in the welfare scale – approximately one standard deviation – is associated with a decline of 80 in the state incarceration rate. By this measure almost half the difference in incarceration rates between California and Washington is attributable to the relative generosity of the Washington state welfare system.

The addition of interactions allows the effects of welfare and the size of the African-American population to vary over time. In these models, the main effect of welfare describes the relationship between welfare spending and incarceration in 1995. The interaction terms describe departures from this benchmark in 1985 and in 1975. These results indicate that in 1995, incarceration rates were significantly lower in states with generous systems of social welfare (and vice versa). A standard deviation change in the welfare level (four points on the welfare scale) is associated with a difference in incarceration rates of between 16 and 52. If the true effect is midway between the OLS and robust estimates, differences in welfare policy account for more than one-third of the 300-point difference in incarceration between Texas and New York. These results indicate that the trade-off between welfare and incarceration, although still existent, was

flatter in earlier years. (The OLS results suggest that the welfare effect was around –7 in 1985 and –5 in 1975.) Thus it appears that a strong negative relationship between welfare generosity and penal punitiveness did not come into existence until 1995. The penal-welfare regime thus appears to have crystallized relatively recently.

The interaction model also allows us to capture variation in the effects of the racial composition of state population over time. The robust model provides evidence of a strong and significant positive effect of the black population on incarceration in 1995. Indeed, the 1995 estimate attributes more than half the difference in incarceration between Illinois and Louisiana to differences in the racial composition of the population. These robust results show that the effect of the African-American population was positive but small in 1985 and essentially zero in 1975. In short, the association between race and incarceration has also grown substantially larger over the last three decades.

Several of our control variables also had a significant impact on incarceration rates. We estimated several significant crime effects, and although violent crime rates positively impacted levels of incarceration, property crime effects are negative. These uneven results underline the fact that incarceration rates are only loosely shaped by reported rates of criminal offending. By contrast, poverty rates were positively associated with incarceration, as expected, supporting the idea that poor populations are subject to greater surveillance (although it is also possible that the poor are more likely to engage in illegal behaviors other than those included in the UCR crime data). And consistent with research on incarceration trends at the national level, we also find that Republican Party representation in state legislatures has a significant positive impact on incarceration.

Table 4 shows the results of the analysis when the size of the minority (i.e. African-American, Hispanic, American Indian, and Asian) population is used as the measure of racial heterogeneity. The welfare results are similar to those reported in Table 3. The interaction model indicates that a strong negative relationship between welfare and the size of the penal system emerged by the 1990s. While the results provide evidence of negative effects of welfare on incarceration rates in the 1970s and 1980s, the magnitude of these effects is much smaller than in the 1990s. As in the previously reported model, the negative impact of welfare generosity on levels of incarceration is quite strong by the 1990s.

Results regarding the impact of the minority population differ some from those for percentage black. The main effects estimates indicate that states with a large minority population have higher rates of incarceration. However, the interaction model suggests that minority effects were negative in the 1970s and 1980s. The period main effects and the intercept terms of the interaction model help us to interpret these results. Both period effects are large and negative, while the intercept is large and positive. This suggests that over the three time periods, the minority population is positively associated with incarceration because minority populations were small in 1975 when incarceration was low but large in the 1990s when incarceration rates were comparatively high. Despite this gross positive relationship, within particular years the relationship between the size of the minority population and incarceration was either flat or negative. The absence of the expected positive relationship may also be due to the inclusion of Asians in the minority classification: low incarceration rates among Asians may be confounding what would otherwise be a positive relationship between incarceration and the size of the African-American, American Indian, and Hispanic populations.

TABLE 3 Regression results for a model of state incarceration rates, 1975–95 (128 state-years)

	NORMAL	T-DISTRIBUTION	NORMAL	T-DISTRIBUTION
Intercept	–814.07	–574.71	266.44	187.15
	(3.69)	(4.3)	(1.34)	(2.21)
1975	–	–	–133.46	–103.2
			(5.84)	(11.03)
1985	–	–	–94.3	–84.68
			(5.35)	(11.21)
Welfare	–21.96	–20.71	–14.12	–6.81
	(3.45)	(5.93)	(3.18)	(3.64)
Welfare x 1975	–	–	9.01	5.96
			(1.8)	(3.22)
Welfare x 1985	–	–	7.05	5.9
			(1.87)	(4.07)
Percent black	393.16	376.59	63.55	106.76
	(3.52)	(5.35)	(.63)	(2.36)
Percent black x 1975	–	–	–81.59	–84.75
			(5.21)	(13.6)
Percent black x 1985	–	–	–54.1	–54.83
			(4.14)	(11.02)
Violent crime	.42	.42	.07	.08
	(5.09)	(9.81)	(1.18)	(3.48)
Property crime	–.02	–.03	–.04	–.05
	(1.3)	(3.31)	(3.85)	(11.14)
Unemployment	–9.6	–11.51	1.45	1.24
	(1.88)	(3.95)	(.4)	(.87)
Gross state product	.46	–.15	.30	.40
	(.43)	(.3)	(.45)	(1.89)
Poverty	4.43	2.02	6.79	7.04
	(.92)	(.71)	(1.96)	(5.25)
Republican	.42	.44	1.09	1.65
	(.57)	(1.11)	(2.23)	(9.33)
Urban	4.46	3.02	–1.22	–.18
	(2.58)	(3.23)	(.94)	(.39)
R^2	.85	.81	.95	.92
Log likelihood	–690.43	–684.46	–623.29	–594.05

Note: Numbers in parentheses are *t*-ratios. Percent black effects have been multiplied by 10. State-level fixed effects have been suppressed.

These results thus suggest that the effects of both welfare and the size of the black population have become quite significant in the 1990s. This pattern of results is robust to a variety of other specifications. If the three time periods are analyzed separately, all coefficients are allowed to change over time, but we cannot control for unobserved state-specific effects. In this unpooled analysis, welfare effects are negative each year, becoming larger in absolute magnitude over time. These effects are statistically significant in

TABLE 4 Regression results for a model of state incarceration rates (128 state-years)

	NORMAL	T–DISTRIBUTION	NORMAL	T–DISTRIBUTION
Intercept	–310.8	–408.82	543.63	445.3
	(2.28)	(5.06)	(4.21)	(10.31)
1975	–	–	–142.53	–93.27
		(6.06)	(10.96)	
1985	–	–	–79.13	–78.35
		(3.69)	(10.55)	
Welfare	–13.32	–16.83	–10.24	–4.01
	(2.21)	(5.15)	(2.59)	(3.12)
Welfare x 1975	–	–	4.59	2.75
			(.97)	(1.73)
Welfare x 1985	–	–	6.76	6.28
			(1.9)	(5.67)
Minority	139.25	108.93	12.47	–4.68
	(3.62)	(4.43)	(.39)	(.47)
Minority x 1975	–	–	–68.03	–86.41
			(5.28)	(19.02)
Minority x 1985	–	–	–41.83	–48.09
			(4.27)	(13.73)
Violent crime	.32	.41	.08	–.03
	(3.41)	(7.16)	(1.18)	(1.64)
Property crime	–.01	.01	–.03	–.04
	(.30)	(.78)	(2.53)	(8.32)
Unemployment	–9.23	–6.54	1.80	2.77
	(1.80)	(2.36)	(.48)	(2.33)
Gross state product	.21	.20	–.15	.03
	(.20)	(.41)	(.22)	(.19)
Poverty	.60	.30	–3.00	1.70
	(.12)	(.10)	(.81)	(1.35)
Republican	–.11	.74	.86	1.13
	(.15)	(1.88)	(1.69)	(6.71)
Urban	4.09	3.73	–2.78	.83
	(2.36)	(3.98)	(2.07)	(1.97)
R2	.85	.80	.94	.91
Log likelihood	–689.9	–684.18	–626.08	–591.97

Note: Numbers in parentheses are *t*-ratios. Percent minority effects have been multiplied by 10. State-level fixed effects have been suppressed.

1985 and 1995. The black (and minority) effects show a similar pattern, being larger in the positive direction in 1985 and 1995 than in 1975. These effects are also significant in later years.

Our results thus suggest that beginning in the 1980s, states with larger black populations are states that spent less on social welfare and also incarcerated at higher levels.

This negative relationship was quite significant by the mid-1990s. Unlike the policy-regimes analyzed by Esping-Andersen, then, the policy sectors we analyze here appear to be sometimes loosely coupled and at other times tightly coupled. When loosely coupled, policy incoherence prevails (that is, there is no consistent relationship between welfare and incarceration). But when efforts are made to alter prevailing approaches to social marginality, these sectors become more tightly coupled and policy more coherent (i.e. a negative relationship between welfare and incarceration develops). This interpretation is consistent with John Hagan's analysis of the criminal justice system, in which he shows that under normal conditions, criminal justice institutions are loosely coupled, but when crime-related problems are the target of political action, they become more tightly coupled (1998).

In sum, our findings suggest that in the wake of the Reagan revolution, penal and welfare institutions have come to form a single policy regime aimed at the governance of social marginality. In the 1990s, states with less generous welfare programs feature significantly higher incarceration rates, while those with more generous programs incarcerate a smaller share of their residents. Our results also suggest that states with larger poor and African-American populations and more Republican-dominated legislatures have been more inclined to adopt this approach to social marginality. Thus it appears that more exclusionary approaches to social marginality are especially likely to be adopted by states that house more of those defined in contemporary political discourse as 'troublemakers.' On the basis of this analysis, we conclude that the contraction of welfare programs aimed at the poor and the expansion of penal institutions in the 1980s and 1990s reflects the emergence of an alternative mode of governance that is replacing, to varying degrees, the modernist strategy based on rehabilitation and welfarism. Reduced welfare expenditures are not indicative of a shift toward reduced government intervention in social life (as is implied by the claim that welfare reform reflects the rise of 'neo-liberalism'), but rather a shift toward a more exclusionary and punitive approach to the regulation of social marginality.

Notes

1 Following Selznick, we use the term 'governance' rather than 'management' to suggest that these policies are not selected according to narrow instrumental criteria such as efficiency and cost-effectiveness, but rather according to complex political goals and considerations (Selznick, 1992; see also Garland, 1990).

2 Under most circumstances both inclusionary and exclusionary mechanisms for dealing with 'danger-carrying strangers' exist (Bauman, 1995; see also Vaughan, 2000). As Bauman points out, these alternative strategies depend upon one another for their efficacy: inclusionary measures 'are effective only as far as they are complemented by the sanctions of expulsion . . . but the latter may inspire conformity only as long as the hope of admission is kept alive' (1995: 181; see also Jamieson, 1999: 132). It is nonetheless the case that either end of this continuum may be more pronounced in specific historical moments.

3 Because our analysis will control for reported levels of crime, we refer to states with high rates of incarceration as more punitive than states with lower levels of incarceration.

4 According to Garland, Rusche and Kirchheimer's work suggests that 'penal institutions

are to be viewed in their interrelationship with other institutions and with non-penal aspects of social policy. In effect, penal policy is taken to be one element within a wider strategy of controlling the poor . . .' (1990: 91).

5 The panel structure of the data allows us to control for state-specific effects, such as enduring variation in prison capacity, regional effects, or other factors not captured by the independent variables, by introducing a dummy variable for each state (Hsiao, 1986: 29–32). It is theoretically possible that this fixed effects model controls for enduring characteristics that are part of the very regime we wish to measure. However, because the rank-ordering of states by welfare level does not change very much over time, the welfare measure usefully captures cross-sectional variation. Because the average incarceration rate changes over time, we specified dummy variables to indicate the years 1975 and 1985. To assess whether the impact of welfare has become larger over time, we interacted these dummy variables with the welfare variable. Finally, diagnostics show that the incarceration rate variable has a heavy-tailed distribution. We therefore fit both an OLS model that assumes a normal distribution of the errors and a robust t-distribution (Western, 1995). In the analyses below, the robust regression has higher likelihood than the normal OLS model.

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