

CHAPTER 12

## Racial/Ethnic Diversity and States' Public Policies

### *Social Policies as Context for Welfare Policies*

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The federal structure of the U.S. governmental system is important in numerous and varied ways. One major implication is that state governments are significant policymakers in the United States. Historically, the states have been the primary domestic public policymakers and, despite tremendous changes over time, they remain so (Elazar 1966). By many accounts the importance of state government has grown over the last generation in several policy areas. Therefore, social policy in the United States cannot be understood without considering the implications of the federal system of policy authority as a major institutional feature. By extension, a central question is how to best understand states' policy orientations.

Welfare policy, while of substantial importance and probably the most studied, is but one of several major policy responsibilities of state governments in the United States. The “police power” of the states—that they may legislate regarding the “health, safety, morals, and well-being” of their citizens—provides significant authority and substantial discretion in addressing a host of policy concerns. The policy responsibility of states also permits *varied* policy responses and outcomes. States have shared the responsibility for formulating and administering welfare policy, thus

assuring important influence. States share responsibility with the national government, itself a “federal” entity in that state and substate constituencies are woven into the national government’s structure, adding to the states’ considerable influence. At the same time, states clearly have primary legal authority and responsibility for human capital policies, such as education, and for social regulation, such as criminal justice, and others that tend to be intertwined with and have implications for “welfare” needs and policies. For example, education, criminal justice, and welfare policies can, in part, be thought of as causes and/or consequences of each other. Moreover, if welfare policy may be thought of as “regulating the poor” and minorities (cf. Piven and Cloward 1971), public policies such as education, criminal justice, and other policies might also be viewed in this light because they may constrain, or enable, individual and group conditions. In shaping social and economic opportunity, generally through a variety of curricular and pedagogical decisions and through the regulation of behavior through student suspension and other practices, education affects the social standing, income, and broader well-being of individuals. State education and criminal justice policies and outcomes thus provide a backdrop for, and a window onto, welfare policy (cf. Fording 2001).

The importance of federalism, and state policy authority specifically, is heightened by another reality of U.S. political and social history. Race/ethnicity is and has been a pervasive influence in the political and social system, as numerous scholars and observers have argued (Key 1949; Hero 1998; Smith 1993; Carmines and Stimson 1989). Particularly important here, the various racial/ethnic groups are not distributed equally across the states, as detailed below. This has affected politics and policy in the United States, including—and perhaps especially—state policies (Key 1949; Burnham 1974).

“Welfare reform” legislation should be considered within this broader institutional and policy context, and with due attention to such factors as race/ethnicity that are part of the American social, economic, and political fabric. This chapter contends that states’ “social diversity” is a major factor in understanding their public policy. That is, the varied racial/ethnic composition and configurations have a major impact on state policies—even after considering the impact of socioeconomic factors such as states’ level of income, education, and urbanization. The effects of social diversity on state policies are shown to be substantial and evident in some form in all states; race thus very much remains an *American* dilemma. The manifestations are different; that is, they have differ-

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ent forms or “faces” in different social context(s). This needs to be fully appreciated and systematically incorporated into theory and research on state social and human policy. If there is evidence of racial factors affecting these various policy areas—as is indicated below—then the connection to and impact of race on welfare policies becomes clearer and more readily understood.

In the mid-1900s, V. O. Key (1949) demonstrated that race was the central characteristic of politics in the southern states, and the significance of racial/ethnic diversity for state politics has been suggested in numerous other works (e.g., Hill 1994; Lieske 1993). Despite considerable attention, however, racial/ethnic diversity has not until recently been developed or extensively incorporated in a general interpretation of state politics and public policy. Racial/ethnic diversity can be seen as an “analytical construct” (Hero 1998; Hero and Tolbert 1996b; Lieberman 1993) for examining U.S. state and national politics, as the present study underscores. These assertions about social diversity are also consistent with Smith’s (1993) broader claims that theories of U.S. politics need to better acknowledge the inegalitarian ideologies and institutions that have defined the status of racial and ethnic minorities (Limerick 1987). That is, ideas of ascriptive hierarchy, not only “liberal” and “republican” traditions, are evident in American political thought and practice. The several traditions are directly relevant for understanding state public policy as well. As argued below, the traditions are related to and mediated by particular racial/ethnic contexts; those traditions and contexts seem especially important because of the geographically or territorially “narrower scope” of social and political relationships of state politics.

The social diversity thesis asserts that ethnic/racial contexts significantly affect states’ policies, and the implications of racial/ethnic context are more complex than commonly assumed and understood. When state politics and policies are analyzed more closely—when state policy *outcomes* are examined in “relative,” not simply in “overall” or aggregate terms, as is commonly done—racial/ethnic factors become more apparent and their substantive implications more important. On the other hand, when the impact of race/ethnicity on policy is examined primarily with expenditure-related, or “input,” indicators, the impact is sometimes less clear, although other research has found rather strong relationships (cf., however, Howard 2001; Johnson 2001).

This chapter summarizes the findings of previous research on policy outcomes in both overall and relative dimensions. A frequent finding is that states that “do well” regarding overall or aggregate policies as often

as not do “poorly” in the relative patterns, and some states tend to be “in between” on both dimensions. This suggests that there are several “faces” of policy, and policy inequality; and each is substantially affected by racial/ethnic diversity context. Thus, racial/ethnic factors are important in understanding policy in all of the states, not just in one region or set of states nor with respect to only a few, explicitly “redistributive” policy issues (cf. Hero 1998, 139–45).

### State Racial/Ethnic (Social) Diversity

A central characteristic of states is their racial and ethnic diversity, or relative lack thereof (Hero 1998). As examined here, states' racial and ethnic diversity includes, significantly, black (African American), Latino/Hispanic, and other minority populations—that is, those groups that have been thought of as “minority groups” or “protected classes,” implicitly recognizing unique historical experiences in the United States. The distinctive experiences of blacks, Latinos, and other minorities are recognized at a general level in research on state policies, but most empirical theories of state policy have not fully incorporated that significance. One can also differentiate between northern or western European populations versus non-northern and nonwestern Europeans within states (cf. Jacobson 1998). (For purposes of this chapter, the discussion will focus most directly and extensively on *minority* diversity, however.) To be sure, the historical experience of various minority and other groups are each quite complex in themselves. Here, however, the assumption is that there is sufficient similarity within groups and enough differences across groups as delineated to support the designations and arguments made (cf. Elazar 1966, 1994).

To develop the diversity interpretation and systematically assess evidence on racial/ethnic diversity in the states, census data were drawn on to create two major racial/ethnic categories measures or indicators of social diversity: (1) “minority” (blacks, Latinos, Asians) in relation to white populations are used to create an index of *minority diversity*, and (2) “white ethnics” or “European ethnics” (particularly southern and eastern Europeans) are used to create an index of white ethnic diversity (Hero 1998; cf. Sullivan 1973). The residual conditions for each index, low racial and low white ethnic diversity, are indicative of homogeneity (1990) (see fig. 12.1).

The racial/ethnic group categories follow from the logic of the inter-

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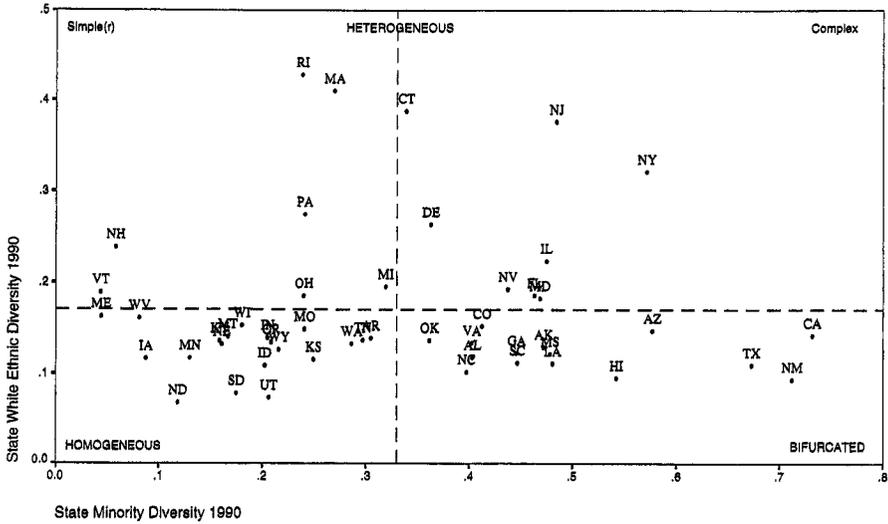


Fig. 12.1. Distribution of states across different categories of diversity

pretation, and the categories are generally consistent with the scholarship that has considered racial/ethnic group background (Elazar 1966; Wilson and Banfield 1964, 1971). Fundamentally different, however, is the attention to groups as well as the significance attached to racial group context and interrelationships. General state profiles are provided (in fig. 12.1); later I commonly refer to the states with respect to broader patterns or characterizations because the states fall into several groupings relative to their racial/ethnic diversity patterns.

Compared to overall U.S. patterns, some states can be characterized as racially and ethnically *homogeneous*. These states have populations that are primarily “white” or “Anglo,” that is, of northern and western European descent; they also have very small minority (black and Latino) populations and relatively few “white ethnics” (i.e., non-northern and nonwestern European whites). In contrast, there are two types of “non-homogeneous” states. Some states have rather large white ethnic populations as well as significant minority populations and moderately large “white” populations; these can be called *heterogeneous*. Finally, some states have *bifurcated* racial/ethnic structures, with large minority populations, primarily black and/or Latino, a large white (nonethnic) population, and a rather small proportion of “white ethnics.” The states can be broadly delineated into the several patterns or categories—homoge-

neous, heterogeneous, and bifurcated—according to the type and degree of racial/ethnic diversity. In the more detailed analysis summarized later, state diversity patterns are measured with “interval” or “continuous” level data, and indicators derived from the data are used throughout the statistical analyses.

### Social Diversity and Public Policies

The focus here is on examining public *policies*, an area where diversity has been previously shown to have important impacts (Hero and Tolbert 1996b; Hero 1998; Johnson 2001; Howard 2001). It should also be noted that ethnic/racial diversity has been shown to influence other state political phenomena including various political processes, and “descriptive representation” in governmental institutions (see Hero 1998, chaps. 3 and 4). Several policies or dimensions of policies are examined in this chapter. The policies considered include several that are commonly taken as central state responsibilities such as education, criminal justice, and health (Gray and Jacob 1996). Related issues, having to do with “relative” or “differential” dimensions of the policies, are also considered because social diversity’s impact may also be manifested there. The goal, then, is to examine some variety of policies and/or “subpolicies” that are among the major state policy responsibilities and that, like welfare, have central human or social policy (as distinct from “physical”) dimensions and implications.

“Public policy is an especially important phenomenon to study because it reflects human agency. . . . Through public policy collective choices are made with significant consequences as to how and whether problems are resolved, how benefits and costs are distributed, how target groups are viewed by themselves and others, and how such groups regard—and participate in—politics.” But “public policy is a complex combination of elements, including goals and objectives, agents and implementation structures, targets, tools, rules, and rationales” (Schneider and Ingram 1993, 335–36). Thus, policies, and dimensions of policies, are examined here because of their inherent significance and are considered relative to racial/ethnic diversity, as that is essential to the larger argument.

The policies are selected based on their centrality for state policy, and the “relative” or “disaggregated” indicators focus on the differential policy impact on minority groups (Hero and Tolbert 1996b). The differential

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policy indicators tend to focus on issues of “equality” of racial/ethnic minorities relative to the general populations of states; indeed, these issues are at the core focus of the discussion. The emphasis tends to be on nonexpenditure measures of policy; considering nonexpenditure indicators should lessen the impact of states’ wealth as a factor that influences policy patterns, although the policies are examined with expenditure indicators as well.

The particular reasons and ways race/ethnicity produces the outcomes shown below is not extensively developed here, but has been discussed elsewhere (cf. Hero 1992, 1998; Meier and Stewart 1991; Meier, Stewart, and England 1989; Lipsky 1980, Key 1949; Hill 1994). Briefly stated, the argument is that racial/ethnic inequality and its attitudinal and institutional legacies shaped, and continue to shape, attitudes, public opinion, and public policy formation and implementation as they affect minorities. The impact of ethnic/racial inequality is evident in lesser political participation among racial/ethnic minorities, in political party cleavages and party systems (Hill 1994; Brown 1995; Hero 1998), and in substantial underrepresentation of minorities in the legislative and bureaucratic institutions of state government as well (cf. Hero 1998; Meier and Stewart 1991; Elling 1996, 1999). Moreover, various common practices and “standard operating procedures” in the implementation of government policies often reinforce ethnic/racial policy inequality, contributing to disparate outcomes of the sort delineated below (Meier, Stewart, and England 1989; Meier and Stewart 1991). Disparities are not confined to states with large minority populations. In homogeneous states the disparities in policy outcomes often found for minorities are, I would suggest, attributable to their being too small to have much political impact, or too invisible, or otherwise facing difficulties in convincingly drawing attention to and articulating concerns within the larger sense of community and consensus associated with homogeneity (see Hero 1998, 15–20, 149–51).

*Education Policy*

Education is a major state policy concern and typically the largest single set of state expenditures, commonly accounting for more than a third of state and local budgets. Education seems especially important to study because there is a strong belief in the United States that education is vital to central concerns such as economic and social equality, societal stability, and the proper functioning of democracy. For individuals, educa-

tional achievement is viewed as crucial for upward mobility and as having major impacts on “life chances” in such areas as employment, income, quality of housing, and access to health care (Meier and Stewart 1991). In the tradition of U.S. federalism, the authority for education has rested, historically and presently, primarily with state governments.

State governments are heavily involved in education policy, although it is “locally administered” (Wirt 1990). Like other local governments, local school districts are legally “creatures of the state” and thus subject to a host of structural, financial, procedural, and other formal state influences. The federal government’s direct financial role in education is not especially large. State governments bear the major responsibility for education in the United States and state characteristics, such as social diversity, might therefore have major impacts.

Before discussing evidence from the 1990s, it is useful to summarize previous analysis, of mid-1980s data, on education in the states (Hero and Tolbert 1996b). Previous research found that general student educational outcomes, as measured by overall graduation rates, are highest in homogeneous states and lowest in bifurcated states (Wirt 1990; Hero and Tolbert 1996b). Minority diversity was negatively and significantly related to states’ overall graduation rates. For example, overall graduation rates tended to be higher in Iowa and other homogeneous states and lowest in the states of the old South. This suggests the impact of race/ethnicity on public policy, which reaffirms expectations, but is not an especially surprising finding.

On the other hand, the previous research found rather distinct patterns regarding the “relative” or “differential” outcomes.<sup>1</sup> The patterns for minorities within states, for the mid-1980s, was considered using two indicators of education outcomes (Hero and Tolbert 1996b). Blacks had substantially lower graduation and significantly higher student suspension ratios across the states, consistent with the diversity interpretation and with the arguments that “two-tiered pluralism” (Hero 1992) and “second generation discrimination” (Meier, Stewart, and England 1989) occur within state policy systems. But an especially notable finding was that minority diversity was actually positively related to graduation ratios—that is, as states have more minority diversity, blacks have higher graduation ratios. Homogeneous states generally have lower black/white graduation ratios than states with large minority populations. Several homogeneous states, including Wisconsin, Minnesota, Washington, and Utah, have substantially lower black graduation ratios than “bifurcated” states such as South Carolina, Alabama, Mississippi, and Texas. How-

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ever, it should be emphasized that bifurcated states have low overall graduation rates. Racial/ethnic diversity explained (statistically) a considerable portion of the variation in minority/white graduation ratios. This implies that minority diversity is considerably more complicated or “problematic” in the homogeneous environment than generally recognized (Elazar 1966).

A similar pattern was found regarding suspension ratios for blacks. Minority diversity and white ethnic diversity were found to be inversely related to suspension ratios. States with the smallest minority and ethnic populations had the highest suspension ratios for blacks; that is, the disparity in the outcomes for blacks tended to be most pronounced in the most homogeneous states. But aggregate policy indicators mask these findings, and studies that focus only or primarily on general patterns overlook this (Hero and Tolbert 1996b). The education policy findings from the 1980 data, just summarized, can be further examined for a different time frame, the early 1990s.

Assessing education policies, especially with expenditure and/or aggregate measures, requires caution, however. Some states do not spend especially large amounts of money relative to other states, yet have relatively high levels of education as measured by graduation rates and percentage of the population with a high school degree or more. They may spend less because the “need” is not as great. Other states spend more, but still have less positive outcomes. These points should be kept in mind as a preface to the following analysis.

*Education Expenditures and Effort.* First considered are education expenditures and “effort” for the early 1990s: the former is defined as per capita spending on education (including both elementary/secondary and higher education), the latter as state per capita expenditure on education divided by state per capita income. The findings for both measures are similar. Both diversity indicators are significantly related to effort, but not necessarily in the ways that might be expected. Higher minority diversity is related to more education effort, while white ethnic diversity is related to somewhat lower effort. Greater urbanization tends to have a significant negative impact on education spending and effort, while states’ (existing) levels of education have a positive impact.

That bifurcation is related to greater “effort” may partly reflect the greater “need” associated with larger minority populations. For example, New Mexico, one of the poorest states, ranked sixth and ninth in per capita spending for “precollege” and “higher” education, respectively

(Wirt 1990). Despite greater “effort,” however, the policy outcomes in high minority diversity (bifurcated) contexts tend not to be higher in general terms, as indicated in such measures as overall graduation rates. It is important to examine education outputs and outcomes beyond those associated with expenditures and effort (Schneider and Ingram 1993).

*Education Outputs/Outcomes.* The question here is, once a state has made a particular level of financial commitment (i.e., expenditures and/or effort) in a policy area, what are the outcomes? Those issues are examined in aggregate, and in relative terms regarding several indicators (using data from the U.S. Department of Education, Office of Civil Rights).

*Overall Graduation Rates.* One indicator of education policy is overall graduation rates. Analysis indicates that more minority diversity is significantly related to lower overall graduation rates; larger minority population in a state is related to lower overall graduation rates. White ethnic diversity is positively related (but not statistically significant). Thus, minority diversity has a negative impact, or racial homogeneity has a positive impact, on overall graduation rates, as might be expected from conventional wisdom and other perspectives. This impact holds when the impact of socioeconomic variables are considered.

*Minority/Overall Graduation Rates.* What is the pattern when a “relative” measure, the graduation rates for minorities compared to overall graduation rates, is examined? First, in all but one or two states, minority graduation ratios are below “parity” (1.0) relative to overall rates, clearly indicating a pattern of “negatively” differential outcomes. In many instances, they are well below parity. Second, larger minority population is actually associated with higher graduation ratios for minorities. Notably, a number of homogeneous states—Wisconsin, Minnesota, Montana, Vermont, and South Dakota, for example—are some of the states with the “worst” minority/overall graduation ratios. And this is consistent with the previous research findings from the 1980s (Hero and Tolbert 1996b). While several homogeneous states do relatively “well,” as often as—or more often than—not, homogeneity is associated with lower ratios. White ethnic population is associated with lower minority graduation rates. When the two diversity measures are considered alone, both have a significant effect.

Minority diversity retains some significant impact when socioeconomic variables are examined; its positive relationship with relative

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graduation rates remains. When considered along with the socioeconomic factors, the impact of white ethnic diversity continues to have a negative impact (Hero and Tolbert 1996b). Perhaps this suggests tension between the “old,” that is, “white ethnics,” and the “new” ethnics, that is, blacks and Latinos, in education politics. Interestingly, the socioeconomic indicators themselves have little or no significant impact either. The patterns suggest that minority diversity interacts with socioeconomic factors in complicated ways but that diversity retains important influence. And given that it is more likely that race/ethnicity “explains” the socioeconomic variables, rather than vice versa, the findings are especially noteworthy.

*Minority/Overall Suspension Ratios.* Another “relative” dimension to consider is a “regulatory” policy within schools, that is, suspension ratios. The highest minority suspension ratios are in six rather homogeneous states—North Dakota, South Dakota, Nebraska, Iowa, Minnesota, Nebraska, and Idaho; these states have suspension ratios for minorities twice as high as the overall state average. Several of these states also “stood out” regarding disparate minority/overall graduation ratios (discussed above). Statistical analyses indicate that minority diversity is negatively and significantly related to minority suspension ratios. White ethnic diversity is also negatively related to minority/overall suspension ratios. And socioeconomic indicators have no significant impact. In short, the importance of diversity, particularly minority diversity, for suspension ratios is strong and consistent. Equally important, the patterns suggest that states with low minority diversity are often appear among the most “punitive” relatively toward minorities. These are notable findings, and consistent with past research findings (Hero and Tolbert 1996b).

Overall, then, social diversity is frequently significantly related to education policies, with respect to *both* aggregate/overall and relative/differential indicators. But the direction(s) of those relationships is equally important to note. For instance, minority diversity is negatively related to total graduation rates and positively related to minority graduation ratios. Thus, while diversity commonly has an impact, the specific direction varies somewhat relative to specific policy indicators; it appears that policy influences the particular politics associated with social diversity (Lowi 1964). While there is a need to better understand the specific “politics” of the various dimensions of educational policy, one pattern

seems consistent: minority diversity is consistently related to “lower” or “worse” outcomes, in either absolute or relative terms.

### *Criminal Justice*

Criminal justice is a major policy, a social “regulatory” policy, concerning individual behavior, for which states have primary legal authority in the American federal system. It is also an issue where racial/ethnic diversity might be expected to have an impact, based on numerous questions about the fairness of the justice system in the United States. In fact, a leading scholar of criminal justice has claimed that the racial disparities in the imposition of prison sentences and the death penalty are “the most serious—and potentially the most explosive—issue facing the American system of justice” (Skogan 1996). Hence, its importance as a policy, and the states’ central role pertaining to it, suggest that it be examined.

*Overall Incarceration Rates.* Scholars view incarceration rates as a useful indicator of criminal justice policy. Thus, diversity is first examined relative to states’ overall incarceration rates. Analysis shows that minority diversity has a significant positive relationship with overall incarceration rates; there are higher incarceration rates overall where there are more minorities, a finding that is not especially surprising (Hero 1998, 105–8).

*Black/Overall Incarceration Rates.* Another dimension of state criminal justice policy, focused on “relative” outcomes, concerns the situation for minorities in that system. Skogan claims that “one of the greatest challenges to the system of justice in the American states remains the apparent racial disparities in how it operates. African Americans are disproportionately represented at every step in the criminal justice process from arrest to imprisonment.” He explains some of the reasons for this, including that “blacks commit (relatively) more crimes” and that “black offenders are even more likely to be arrested” (Skogan 1996). Skogan notes that the patterns “vary from state to state, one obvious reason being the differences in the racial composition of the states,” but also claims that patterns may vary considerably between states similar in their racial/ethnic composition. What does the present evidence indicate concerning minority/overall patterns? Only data on blacks were examined because data on Latinos are not provided in the data used (U.S. Department of Justice 1992).

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First, black/overall incarceration ratios were found to clearly diverge from, that is, are much higher (worse) than, “parity” across the states. Second, the ratios are actually less disparate, that is, are more similar or equal, where there are larger minority populations. The greatest disparity in incarceration ratios is in Minnesota, followed by Iowa, Connecticut, and Utah. While several racially homogeneous states have low(er) differential ratios, so do some bifurcated states such as South Carolina and Mississippi. Thus, homogeneity is more often than not related to *less* “equitable” relative patterns. On the other hand, more white ethnic diversity is related to higher minority/overall incarceration rates, another notable finding and dimension of ethnic/racial patterns. The patterns, presented in figure 12.2, are broadly similar to the “relative” patterns for several other policy areas, such as student suspension ratios and infant mortality rates (discussed elsewhere in this chapter).

The patterns just described are supported by statistical analyses. Minority diversity has a significant negative relationship to relative incarceration rates. White ethnic diversity has a positive relationship. And more urbanization and higher state education levels are both positively and significantly related, that is, are both associated with greater disparity in incarceration rates for blacks compared to overall rates.

That greater minority diversity is related to less disparity in incarceration ratios is noteworthy. And this is yet another finding not easily accommodated by many interpretations of state politics. White ethnic diversity’s positive impact is also notable. That is, larger white populations, whether “white” or “white ethnic,” are related to greater disparity of minority incarceration. These statistical relationships hold even when an additional variable, minority versus overall poverty rates, is accounted for. While minority poverty rate itself has a significant relation to relative incarceration ratios, the impact of the ethnic/racial diversity indicators remain when relative poverty rates, and the several socioeconomic variables, are considered. Thus, the findings are not readily attributable to “other” factors.

*Health*

The states have had an important, but “shared,” responsibility with the federal government in the areas of health policy (Albritton 1990). The federal government plays important roles in these areas, more so than in other policy areas such as education. Because the federal government has, in fact, had an important presence in these areas, especially during the

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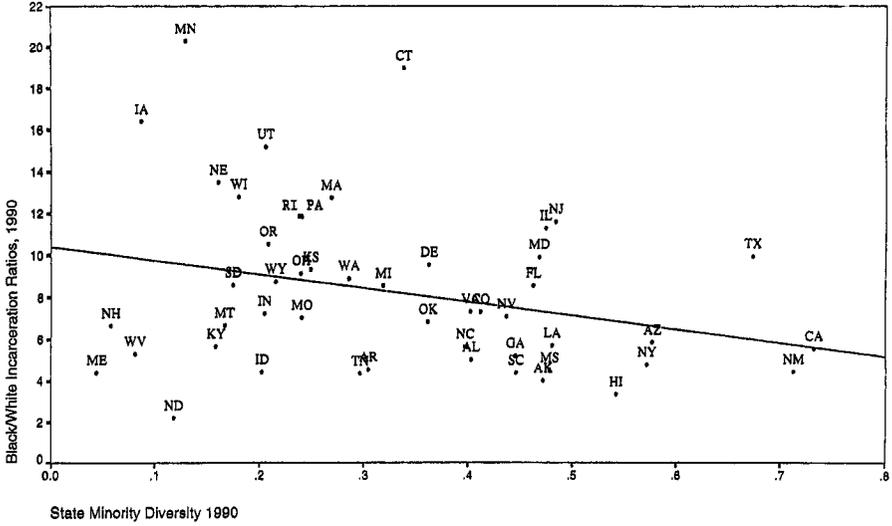


Fig. 12.2. Relationship between state minority diversity and black/white incarceration ratios, 1990

period examined here (early 1990s), it would be anticipated that state-level traits, such as social diversity, might have somewhat less impact in explaining state policy activity.

Medicaid is a major public health policy program in which states share financial and administrative authority with the federal government, and is thus examined here. Infant mortality rates, another important indicator of health policy where state-level factors would be expected to be important, is also considered.

Patterns found in previous research indicate a negative relationship between higher minority diversity and state spending on Medicaid; greater minority diversity is related to lower Medicaid expenditures (Hero and Tolbert 1996b), which is consistent with other research findings. For example, Plotnick and Winters (1985) found a negative relationship between a state's nonwhite population and financial support for Medicaid in their "political/economic" analysis of state income redistribution. Similarly, Grogan (1994) summarizes studies suggesting that "racial prejudice" influences state's social welfare policies; and her own study found that the race of Medicaid recipients is related to at least two dimensions of states' Medicaid policies, financial *eligibility* and benefit

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coverage (note that these two are not expenditure measures, strictly speaking). In short, there is considerable evidence indicating significant impacts of race on dimensions of public health policy, although the impacts are not always directly on spending.

Earlier research also found that higher minority diversity was related to higher overall infant mortality rates (Hero and Tolbert 1996b). In general, infant mortality rates were highest in bifurcated states and lowest in homogeneous states. On the other hand, black infant mortality ratios were relatively higher in homogeneous states. State minority diversity was inversely related to black infant mortality ratios, the ratio of black infant mortality rates to total state infant mortality rates. Infant mortality rates for blacks in such homogeneous states as Minnesota and Iowa, for instance, were found to be over twice the overall state average (Albritton 1990). Yet in a number of southern, “bifurcated” states, black infant mortality rates were higher than the overall rates, but to a much lesser degree; that is, those states had “better” ratios (Hero and Tolbert 1996b; Albritton 1990). The previous findings regarding homogeneity and infant mortality patterns are neither anticipated nor explained by theories of state policy that do not consider this other face of race/ethnicity (Giles 1977; Elazar 1966). Whether such patterns continue to appear, in data from the early 1990s, is discussed below.

There are a number of number of dimensions one might consider to assess states’ Medicaid policy (Grogan 1994); spending is one. Several indicators of Medicaid spending are considered relationship to states’ social diversity.

*Medicaid Payments per Recipient.* When the diversity indicators are examined alone (i.e., in the “bivariate” case) relative to Medicaid payments per recipient, both are significantly related, minority diversity negatively and white ethnic diversity positively. Per capita income is significantly related positively, and urbanization is negatively related when examined without the diversity measures.

Minority diversity continues to be negatively related and approaches, but does not quite achieve, statistical significance, when accounting for socioeconomic variables. White ethnic diversity continues to have a significant positive relationship with Medicaid spending per recipient. Income retains a significant positive relationship. This impact of white ethnic diversity has not been directly identified in most of the previous research (Hero 1998).

*Medicaid Spending per Capita.* Minority diversity is negatively but not significantly related to per capita Medicaid spending. White ethnic diversity is positively and significantly related. Of the socioeconomic variables, per capita income has a significant positive relationship, and education is significantly negatively related. When all the variables are examined, the multivariate case, only white ethnic diversity has a significant relationship, and it is positive. Minority diversity is negative, but not significant. At the same time, it is notable that none of the several socioeconomic variables are significant either (cf. Erikson, Wright, and McIver 1993).

*Medicaid Effort.* Medicaid effort is calculated as states' per capita spending on Medicaid divided by per capita income. When the diversity indicators alone are examined relative to this measure of Medicaid policy, both are positive but neither is significant. Education level is negatively and strongly related, but urbanization shows no relationship.

When all the variables are examined, patterns somewhat distinct from those of the bivariate analysis (just discussed) are found. Minority diversity has a positive relationship, but remains nonsignificant. White ethnic diversity retains a positive relationship, but is significant; thus, only when the impact of other variables is accounted for does the importance of white ethnic diversity emerge in this analysis. States' level of education continues to have a strong negative relationship; while urbanization continues not to be significant, its negative impact approaches statistical significance in the multivariate case, though it did not in the bivariate case. Thus, there appear to be interactive effects of white ethnic diversity and urbanization regarding Medicaid effort.<sup>2</sup>

*Medicaid Spending and Proportion of "Minority" Recipients.* A final way of examining Medicaid spending patterns is considering the proportion of Medicaid recipients who are of "minority" background. As noted earlier, several previous studies have found significant negative relationships between the proportion of minorities as program recipients and policy outputs (Grogan 1994). To pursue such an analysis, the "minority diversity" indicator was removed and another indicator, "minorities as percent of Medicaid recipients," replaced it. Analyses of this and the other variables relative to Medicaid payments per recipient, Medicaid spending per capita, and Medicaid effort were then undertaken.

Minorities as a percentage of Medicaid recipients has a negative but

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not significant relation to Medicaid payments per recipient. It also has a negative but nonsignificant relationship to per capita Medicaid spending and a positive but nonsignificant relationship with Medicaid effort. Thus, the pattern is for larger percentages of minorities as Medicaid recipients to “lower” Medicaid spending, which is in line with previous findings (Grogan 1994; Hero and Tolbert 1996b). However, the relationships found here tend not to be statistically significant, particularly in the multivariate analyses. Thus, previous studies actually provide stronger support for the social diversity perspective than do these findings.

*Infant Mortality Rates*

An often-used indicator of states’ policies in the health arena is infant mortality rates (Albritton 1990). Both overall and relative indicators of infant mortality rates are examined below.

*Overall Infant Mortality Rates.* As with the earlier research findings (Hero and Tolbert 1996b), greater minority diversity is associated with significantly higher infant mortality rates, or smaller minority population is related to lower infant mortality rates. White ethnic diversity is negatively but not significantly related. Generally, homogeneity is associated with “better” overall infant mortality conditions, the “typical” expectation. In addition, higher levels of education in a state are related to lower rates.

*Minority/Overall Infant Mortality Rates.* The patterns for the “relative” outcomes of infant mortality contrast with the aggregate patterns. Minority diversity is negatively related to minority and overall infant mortality rates. As there are more minorities and white ethnics, there are “better” ratios. Infant mortality rates for minorities are, on the whole, worse in homogeneous states. Similar to the 1980s data, the evidence for 1990 indicates that Minnesota and Iowa have minority infant mortality ratios twice that of their overall pattern, and have minority ratios “worse” than a number of southern states, although several homogeneous states do relatively “well.” White ethnic diversity also has a strong negative relationship.

These patterns are supported by statistical analyses. Both diversity indicators have negative and significant relationships. These statistical relations occur even after accounting for socioeconomic factors, which themselves also tend to have significant impacts. These findings (re)affirm

that homogeneity is related to negatively disparate infant mortality ratios for minorities.

## Summary

The evidence suggests that the relationship between social diversity and major public policies is often substantial. Significant relationships are found between minority diversity and several indicators of education policy, including overall graduation rates and minority suspension rates. Statistical relationships tend to be reasonably strong and consistent. The impact of race/ethnicity on incarceration rates, particularly the relative rates, is striking.

Regarding health policy, minority diversity consistently has a negative impact on expenditures, but not as strong as might be expected from previous research findings (Hero and Tolbert 1996b; Grogan 1994). Significant relationships are found between white ethnic diversity and Medicaid expenditure indicators. The impact of race/ethnicity on health policy, and most other policies, is most evident regarding outcome, non-expenditure indicators.

Another point should be noted. It might be suggested that the "relative" outcomes are attributable to other factors, such as relative poverty rates for whites versus minorities. As indicated earlier, this possibility was examined; a ratio of minority versus overall poverty rates was added to the analysis for various policies. When this was done, the basic findings remained; for several policies, accounting for minority/overall poverty rates does not change the findings. On the other hand, relative poverty rates do have an independent impact on minority and overall infant mortality rates and relative incarceration rates. However, minority diversity itself remains significant. Thus, the several significant "relative" patterns appear related to minority diversity and cannot be explained away by minority poverty rates or other factors, for that matter.

Others might still question, or dismiss, the findings of differential outcomes for minorities in homogeneous settings. It might be argued that minority political "weakness," due to lack of population size or "critical mass," is what explains these findings. That may be so, at least in part. But that is not the argument of such influential interpretations as political culture and the "minority threat hypothesis," or other common interpretations of state politics, to the extent that those other interpretations address these issues at all (Elazar 1966; Hanson 1994).

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The threat hypothesis specifies a marked increase in “threat” concerns as minorities’ population size increases, resulting in “worse” outcomes for minorities. But the evidence here indicates that where small minority populations are present, minorities often have disparate differential outcomes, and those disparate differential outcomes may actually be relatively higher in more homogeneous settings. Thus, at least two common interpretations seem not to explain some of the findings.

*Considering Alternative Interpretations*

Social diversity has important impacts on several major state policy areas and dimensions thereof. And socioeconomic variables are important to various degrees and in various ways, although the strength and direction of impact of these variables is not always high nor consistent. While the evidence in support of the social diversity thesis is considerable, do other theories or perspectives help explain the same policies?

A number of alternative interpretations, common in the literature, were considered relative to the various policies examined. On the whole, they do not do as well as diversity in explaining policies. The other alternative interpretations, beyond the socioeconomic (already considered), that were examined are political culture (Elazar 1984), ideology (Erikson, Wright, and McIver 1993), party competition (Holbrook and Van Dunk 1993), legislative professionalism (Squire 1992), and gubernatorial power (Beyle 1990). Variables reflective of each of these interpretations (alone) were analyzed through statistical analyses that also included the two diversity measures and the socioeconomic variables.

In comparing the alternatives with the diversity interpretation I considered whether the alternative interpretations had significant independent explanatory power (itself/themselves) and whether the explanatory power was more than that of diversity. In general, seldom do the alternative interpretations explain the policy indicators “better” than social diversity and (also) achieve statistical significance. In most of the relatively few instances where they do, it is with respect to “overall” rather than “relative” policy indicators. That is, racial/ethnic diversity, rather than other factors, is particularly important in relation to policy *disparities*. The essential substantive findings regarding the alternative interpretations are summarized below.

Political culture is significantly related to, and has a stronger statistical relationship with, overall graduation rates than does social diversity. But for other indicators of education, political culture has little

significance, while diversity does. Importantly, political culture shows no relationship to relative policies such as minority/overall suspension rates. Political culture and diversity indicators have about equally strong relationships to Medicaid effort, but political culture shows no impact on minority/total infant mortality rates. Regarding the relative or ethnic/racial equality aspects of the several public policies, political culture provides little explanation, according to the statistical analyses undertaken.

Of the several policy education indicators assessed earlier, states' ideology profiles have a significant impact on only one—minority suspension ratios. More “liberal” ideology is significantly related to lower minority and overall suspension rates; but minority diversity has a stronger impact.<sup>3</sup> While ideology has a significant impact on Medicaid payments per recipient, white ethnic diversity has a stronger impact. State ideology shows no statistical connection to relative infant mortality rates. However, its impact on several welfare expenditure and “effort” indicators is somewhat stronger in some instances than that of diversity. While more liberal ideology might be assumed to lead to greater concern for “equality,” or more similar outcomes across racial groups, the evidence examined for several relative policy measures suggests little or no such relationship. On the other hand, ethnic/racial diversity clearly does show a relationship to these.

Levels of party competition (Holbrook and Van Dunk 1993) have some impact on per capita education spending and on education effort. However, minority diversity is more strongly related and has more consistently significant impacts. Party competition has no significant impact on the other general education measures or on the relative education indicators; diversity does, especially on the latter. Party competition does have a significant positive relationship to welfare expenditure indicators as well as a significant positive impact on Medicaid effort. However, white ethnic diversity has a stronger impact on these policy indicators. Party competition has no impact on either of the infant mortality rate indicators.

Indicators of the strength of formal government institutions—legislative professionalism and gubernatorial powers—do not have significant relationships with education policies, including the “relative” policy measures. On the other hand, both more professional legislatures and stronger governorships are related to somewhat greater Medicaid spending and effort. But neither has an impact on other relative health indicators, such as minority infant mortality rates.

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Conclusion

Social diversity has clear and strong implications for several major state public policies and dimensions thereof. Notably, homogeneous settings are often associated with relatively “worse” policy outcomes concerning minorities, despite “better” absolute or overall patterns. Policies for minorities in homogeneous environments may be less visible because the size of the minority population is (by definition) small(er) in such contexts. But when the differential patterns are examined, the patterns are rather clear; there are larger relative gaps. These findings, for evidence from the early 1990s, corroborate and significantly extend findings from the mid-1980s (Hero and Tolbert 1996b) and from studies of earlier periods (Howard 2001). They also hold even when several socioeconomic variables are considered and controlled. The emphasis in the discussion has been on the importance of *minority* diversity, but white ethnic diversity is also relevant. In short, ethnic/racial diversity is clearly an important factor in understanding several major state public policies. But these findings also show that the importance of ethnic/racial factors in state policy is greater, more widespread, and more complex than any other interpretations have previously suggested, much less understood.

Overall, ethnic/racial diversity appears to have significance for a number of major policies in the states. Its impact on several other policies, especially expenditure policies and those where the national government plays a significant role, appear less strong here. In addition, diversity’s impact is commonly at least as important as that of the socioeconomic or other interpretations such as political culture, ideology, party competition, legislative professionalism, or gubernatorial powers. This is especially so for “differential” policy indicators, where the alternative interpretations provide little insight.

The 2000 census indicates the American population is becoming yet more diverse and complex. Particularly notable is the growth of the Latino/Hispanic and the Asian populations. These groups are, to begin with, quite complex in and of themselves. There is considerable evidence that where there are larger Latino populations across and/or within states, legislation that curbs or confronts the policy concerns of Latinos has often been enacted (Tolbert and Hero 2001; Hero 1998, chap. 7; Tolbert and Hero 1996; Hero 1992). And recent evidence on the implementation of the welfare reform legislation of 1996 indicates that larger black population is associated with states adopting stricter policies, as is larger Latino population (Soss et al. 2001). But the patterns are not identical.

Reactions, including policy reactions, to various minority groups may share certain features, but they may also differ due to an array of factors. It may be that responses to blacks are more “subcultural,” responses to Latinos more “bicultural” (Hero 1992, 200). Whatever the differences and however they are conceptualized, past evidence suggests that the situation of, and responses to, Latinos will be increasingly important to examine in the future.

Racial disparities are quite common across the states. Significantly disparate policy outcomes, related to social diversity, are often found, but they may be manifested differently. It is not unusual for homogeneous states to have “high” absolute or general outcomes, and “low” relative outcomes. On the other hand, high minority diversity is commonly associated with low aggregate, and high(er) relative, policy outcomes. Again, it appears that diversity is important for many policies, but its effects differ. The American racial/ethnic dilemma is commonly evident across the states—and in states’ public policies. The dilemma may appear as often in homogeneous settings as in others; it may just be less visible because aggregate data obscure the evidence and previous analyses have not really “looked for” such evidence. The American federal structure indicates that we should look beyond “national” policies to better understand those policies and the role of race in shaping them.

#### NOTES

1. There are some differences in data and in states included between the Hero and Tolbert study (1996b) discussed immediately below and the “new” research on “relative” education outcomes presented later. But the differences are not so major as to prohibit comparisons.
2. Albritton argues that Medicaid spending may be especially high in some states, such as New York, where the cost of medical care is, simply, substantially higher than in other states.
3. Erikson, Wright, and McIver (1993) found that ideology had a significant impact on per pupil expenditures. Yet, the measure they used in their study differed from the one used here; this, along with the inclusion of a different group of “control” variables may account for what appear to be inconsistent findings.