Implementing Welfare Retrenchment and the New Social Regulation: Goals, Institutions and Ideas

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Abstract
This paper explores the implementation of two mutually uneasy strands of the new welfare agenda: an economic-retrenchment component aimed at cutting costs and reducing the size of government and a regulatory-restructuring dimension directed towards changing the relationship between welfare recipients and the state. We argue that US policy-makers' attempts to implement the new social regulation without investing in the necessary administrative and programmatic supports has resulted in a number of unfortunate side-effects—consequences that have been compounded by policy-makers’ failure to treat social regulation as a new institutional problem. These twin dilemmas can in part be explained in terms of the bi-partisan rush to reform welfare, yet, more fundamentally, they reflect policy-makers' highly individualistic, non-structural diagnosis of the welfare dilemma. We conclude by suggesting that leaders seeking to effectively move people from welfare to work should look more closely at the 'active line' policies of Northern Europe than Wisconsin.
I. Introduction

Two years after the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was signed into law, Republican and Democratic Leaders alike were celebrating plummeting welfare rolls and proclaiming the success of both the pre-PRWORA state waiver programs and the 1996 Welfare Reform Act. Some impressive statistics legitimized such credit claiming. Wisconsin, for example, had slashed its welfare rolls by 75 percent in less than 18 months. Still, the welfare reform process has taken its casualties, and certainly for a significant proportion of claimants, welfare-to-work has justifiably been called “welfare-to-worse” (Children’s Defense Fund, CDF, 1998). Indeed, despite the steady numbers of AFDC recipients finding employment, poverty, including child poverty, has deepened dramatically (CDF, 1998; Welfare Reform Network News, WRNN, 1997).¹

This paper seeks to explore some of the key issues affecting the implementation of the "new politics of welfare".² Emphasizing a number of factors that distinguish leaders in their capacity to pursue divisive retrenchment measures and avoid electoral blame, the “new politics” literature pays scant attention to how contentious initiatives are implemented (see Weaver, 1986, 1998; Pierson, 1994, 1996, 1997; Myles and Pierson, 1999). Yet consistent with it’s own logic (that the politics of gains and losses are in many ways distinct processes), we would expect the implementation of cuts to differ in substantial respects from the implementation of new programs.³ Of course, the clarity of legislative instructions, the accuracy of the policy diagnosis and, by extension, the appropriateness of the solution—on top of the usual coordination problems involving multiple organizations—condition the implementation of any new policy. Yet, there are also unique challenges that derive from the fact that the content of any new agenda, its normative and empirical properties, interact with standing programs, organizational capacities and values. Vested interests, budgetary directors, agency heads, street-level bureaucrats all have quite different interests and demands depending on whether their favored projects are expanding or contracting.

Complicating this neat bifurcation between program expansion and contraction, is the fact that welfare restructuring in the United States, and to a far lesser extent, the English-speaking democracies more generally, has two dominant yet, in some respects, mutually uneasy strands:⁴ (a) an economic-retrenchment component aimed at cutting costs and reducing the size of government and; (b) a regulatory-restructuring dimension directed towards changing the relationship between welfare recipients and the state (particularly curtailing claimants’ rights and increasing their social obligations).⁵ As Mead (1996:589) contends, “Welfare is changing from a subsidy into a regime.... The emerging paternalism is justified by antigovernment rhetoric, but its real agenda is statebuilding”.

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One of the primary causes of poor implementation cited in the literature, of course, is the presence of multiple goals—aims that typically reflect inconsistent logics. For example, the retrenchment strand of the new agenda involves cutting costs by organizational streamlining, devolution, shaking-up old bureaucratic routines and replacing them with new goal-oriented, outcome-based, private-sector management techniques. It involves shedding layers of unwanted bureaucracy and liberating, in the words of the Gore Report, "good people trapped in bad systems" (see Terry, 1998). It involves disempowering those with a vested interest in old spending programs and replacing them with apolitical managers who will account to their political masters for the results they produce. Politically it is a process of disempowering old actors and seemingly depoliticizing new ones.

The regulatory side of the new agenda, on the other hand, demands layers of new administration, more complex monitoring, verification and audit procedures. It involves catching those who fail to comply with regulations whilst allowing them the opportunity for appeal and sanctioning those found guilty. Contrary to the popular notion that devolution helps shrink the state, in the case of welfare reform it involves administrative growth in both quantitative and qualitative terms. Indeed, as the state retreats in terms of the resources it provides, it also advances by imposing tight controls and conditions upon the receipt of its monies.

To a large extent, the more rigorously policy-makers implement the retrenchment strand of their twin agenda, the fewer resources they have to invest in sound verification procedures, and the work-related, training and childcare programs that are proving so critical to workfare's success. The result has been important inequities in the application of the new social regulation, job displacement, below poverty-level work, increased homeless and social dislocation. In a word, under the constraints of retrenchment, leaders have strong incentives to adopt a minimalist approach to regulation, including hastily denying benefits.

Policy-makers have attempted to partially square this tension between retrenchment and regulation by de-problematizing the administrative dimension of the new regulation. Yet, the fact that they have correctly treated retrenchment as an institutional problem and incorrectly treated regulation as a non-institutional one has greatly aggravated the side-effects resulting from this uneasy relationship. The successful implementation of any new agenda, of course, is often contingent upon new rules and procedures to (a) disrupt old habits and procedures, (b) disempower actors who may have a vested interest in the 'old regime', and (c) meet the specific organization needs of the new agenda. In pursuing a retrenchment agenda, cross-national policy-makers have radically reformed their administrative procedures in ways that favor cost-effectiveness, government streamlining, and a results-based administrative culture. Yet, with respect to the social regulatory dimension, policy-makers in the United States have conveniently assumed that any new administrative burdens can simply be layered on top of existing administrative arrangements—an
assumption that allows them to find more consistency between the new regulation and retrenchment. In a word, it meets their desire to monitor and control the lives of welfare recipients without incurring the costs of doing so.

In sum, we find two core, inter-related issues affecting the implementation of a retrenchment-regulatory agenda: a basic uneasiness between the two dominant goals and a lack of organizational investments to adequately implement the new regulation. While these problems are partially a function of the bi-partisan rush to reform welfare, especially after the Republican’s Congressional and gubernatorial successes in 1994, at heart they reflect policy-makers’ highly individualistic, non-structural diagnosis of the welfare dilemma: ‘welfare dependency’ is not a function of poor labor market conditions but the personal irresponsibility of welfare recipients in meeting their labor market obligations. By extension, once recipients are required to work, welfare rolls and benefit costs will plummet and the task of auditing, monitoring and sanctioning can be readily assumed by local welfare bureaus.

To explore these issues, the body of this paper is divided into three sections. Following the introduction, section II looks at the problem of implementing new agenda in institutional terms, investigating the general relationship between new rules and new policies. It then proceeds to examine the political logic of recent administrative reforms in meeting the political needs of retrenchers. Section III turns to examine the implementation challenges posed by the new social regulation in the United States. Section IV discusses some of the side-effects resulting from these policy and institutional disparities and policy-makers’ highly individualistic understanding of ‘welfare-dependency’.

We conclude by trying to identify the factors that have encouraged policy-makers to implement a less than coherent welfare agenda, while acknowledging the very different consequences of ‘workfare’ (active line) policies in Northern Europe.

II. Organizational Capacities and Agenda Change: Managerialism and Retrenchment

Before turning to look at how recent managerial reforms have met the political and organizational needs of a retrenchment agenda, let us say a word in general terms about the relationship between organizations and agenda change.

(a) New Agenda, New Rules

Organizational adaptations are usually required to support any major agenda shift, requirements that in themselves often lower the incentives for policy innovation. Rarely can new agenda (especially those aiming to fundamentally restructure state-society relationships), be successfully pursued within old rules. With respect to both organizational efficiency and the effective communication of new meanings, new rules are usually required to shift established roles and relationships, break policy paths, organizational habits and deeply ingrained behavioral patterns. This is all the more necessary when losses are being imposed and the incentives for bureaucratic compliance are low.
Of course, there is somewhat of a “chicken and egg” relationship between agenda and structures: new agenda reduce the viability of old organizations but existing organizations also screen the viability of new agenda. Indeed, agenda requests themselves are often heavily conditioned by leaders’ understanding of what constitutes a viable alternative in light of their “political capital” and institutional capabilities (Light, 1991:115). Several observers have noted how both ideas and policies must appear implementable in terms of standing administrative capabilities in order to gain initial credibility (see Whitwell, 1993 cited in Painter, 1996; Peters, 1995:216; Linder and Peters, 1990). As Peters (1995:216) succinctly states, “the administrative criterion of the ease of implementation may come to dominate ideas of desirable policy based on other criterion”, creating self-fulfilling prophecies that heavily contribute to the path dependency of policy.

It is worth taking a moment to appreciate the relationship between agenda change and organizational shifts. Not surprisingly, we find considerable coincidence between Jones’ (1995) four explanations for agenda shifts and Levine’s (1978) four reasons for organizational decline. The coincidence is imperfect. However, it does serve to illustrate the linkage between new agenda and organizational change. In table 1 below Jones’ typology of agenda change (shown in italics) is synthesized with Levine’s typology of organizational decline (shown in bold).
Table 1: Four Causes of Agenda Change and Organizational Decline

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The first explanation for organizational change (exogenous-political) Levine terms "problem depletion". Here new problems are defined and old problems are forgotten (or solved). This type of organizational decline mirrors Jones’ *process driven change* where policy problems are redefined over time as attention moves to new events and the old organizations (supporting old problems) grow redundant. The second reason for organizational decline (exogenous-economic), Levine terms "environmental entropy". Here the environment contracts (or the activities of the organization expand) to the point where the support base for the organization is inadequate. This form of organizational decline follows Jones' *event-driven policy changes* where transformations in the external environment produce disparities between resources and functions (typically revenues and services), thus creating pressures for new approaches and alternatives.8

The third combination (endogenous-political) Levine calls "political vulnerability". This captures the position of organizations without political advocates. The politically vulnerability of an organization is linked to the public salience of its function and is, therefore, affected by agenda shifts flowing from Jones’s *representational linkage*. The final combination (endogenous-economic) Levine refers to as "organizational atrophy". Here the organization loses its appropriateness. Decline has less to do with agenda change than the properties of the organization itself. Still, unresponsive public organizations fail to adapt to new dimensions of political conflict and thus have a strong propensity to atrophy.

In sum, while imperfect, a synthesis of the two typologies does serve to illustrate a broad correlation between agenda and the organizational capacities needed to support new policies. Of course, while organizational decline on this scale is uncommon, the very frequent lower-level changes policy-makers impose upon public bureaucracies may testify to the organizational needs of new agenda (as well as the political needs of elected officials).9
(b) Managerialism and Retrenchment

Disrupting old rules and relationships is one element of the reform process. The next step involves designing more suitable rules and procedures to meet the political and/or administrative needs of the new agenda. Despite the challenges involved in organizational design, the administrative reforms sweeping across the advanced industrial societies and beyond over the last decade are remarkably well-suited to the political needs of retrenchers. This, of course, says nothing of their democratic desirability. Yet, crafted to cut costs, impose losses, disempower vested interests and marginalize potential sources of opposition, the New Public Management (NPM) reforms appear to be a particularly astute method of liberating retrenchers from both bureaucratic routines and purposeful opposition. They have served politicians particularly well in helping to depoliticize losses, providing them with a further instrument in their blame-avoidance tool-kit.

While these new managerialist techniques spread beyond recasting the welfare state, in many places they are intimately associated with rolling back the frontiers of social policy and imposing efficiency constraints on services and benefits that had previously been provided, to greater or lesser extents, on the basis of need. Both the NPM reforms and welfare state restructuring are entwined with market-liberal plans to reduce the reach of the state. Governing techniques, of course, are very much part of the broader systemic agenda and, as Lynn (1998) has argued, it is not haphazard that the new managerialism rose to prominence at the time it did rather than a decade earlier. Indeed, in many respects, the NPM is very much an ideology (see Pollitt, 1990; Hood, 1991; Peters, 1994, Rhodes, 1994; Brans, 1997; Lynn, 1998; Terry, 1998).

One of the key reforming elements of the new managerialism has been to restructure the relationship between elected officials and career civil servants. Kaboolian (1998:190) neatly describes civil servants new role; ‘Public managers are given more discretion in deciding “how” public agencies will achieve their performance goals than in defining “what” the public prefers.’ Overcoming bureaucratic inertia and inefficiencies (as well as purposeful resistance) essentially involves disempowering career civil servants and those with deep vested interests in public sector programs. Career civil servants are a notable source of obstruction, especially where austerity limits the research and analysis needed to demonstrate the sagacity of a new course of action (Levine, 1978). Indeed, Ingraham and Barrilleaux (1983:393) contend that; “Career executives are, in a very real sense, the change agents who bless reform and/or retrenchment with their cooperation and direction, or doom it by their disapproval and failure to cooperate.” The authors cite one government manager as saying, “for many (managers) loyalty is at the program level. People come to identify in a very close personal way with a program they have worked on for years, and they may identify very closely with those served by the program....
Real pain comes from seeing programs that you really put yourself into, and that you thought were really important, go down the tubes” (p.395).

By transforming implicitly political administrators into de-politicized managers, who are held accountable not through the democratic political process but by the outcomes they achieve, the new managerialism liberates politicians (just as much as managers) from a critical source of policy constraint. Indeed, isolating (and insulating) the new public managers from politics, and exposing them to competitive, market forces, has a most compelling logic in terms of retrenchment and the political needs of elected officials; contentious policy decisions are de-politicized as cost-control criterion replace political bargaining.

In a word, with policy discretion tightly curbed by output quotas and the imperatives of market competition, the NPM reforms circumvent traditional modes of political compromise and policy obstruction--factors that are exacerbated when losses are being imposed. Likewise, in many respects the devoluntary thrust of the NPM has served a similar purpose in the retrenchment process. More than anything else, accountability for losses has been devolved. Central control of performance goals and enhanced monitoring has typically counteracted any significant transfer of power.

Together, these changes have served to reduce the pluralism of the implementation process. As Richards (1997:48) comments on the British case, “Management reform has shifted the balance of power between key stakeholders so that some previously powerful participants in a rather pluralistic policy process now have less access than before.” The new client-oriented approach may do little to compensate for this loss of pluralism in that a agency's 'clients' may be highly selective and limited to particularistic interests (see Hogwood, 1994; Brans, 1997).

Such disempowerment, of course, has been legitimized by policy-makers long reliance upon highly ineffective management techniques. Indeed, reflecting on British administrative practices prior to the reforms of the 1980s, Richards (1997:41) argues that the “management accounting practices in public service organizations was rudimentary in the extreme.” Still, it remains unclear whether in their haste to use private sector techniques to retrench the public sector, politicians have in fact hostaged themselves to the imperatives of markets and quotas: the same technologies that have helped leaders to impose losses and avoid blame, over time may result in a genuine loss of political control. By conveniently de-politicizing public sector management and narrowing the scope for bargaining and compromise, leaders may well become victims of their own cost-efficient systems. While performance criterion should bind managers to their masters' goals, managers' principal reliance on clients and quasi-markets may latently restructure chains of accountability. That is, managers may still "go native" just not in the traditional departmental sense; now they may implicitly shift their primary allegiance to clients and markets--a set of forces even less amenable to political control.
To argue that the NPM reforms have served the immediate political needs of retrenchers well, says little about their policy effectiveness. Imposing cuts by circumventing opposition denies reforms the legitimacy deriving from negotiated policy solutions. This can be all the more the problematic where political leaders have adopted a "crashing through" strategy in the legislative arena. Indeed, countries where potential veto players (e.g. the trade unions) have been included early in the policy process have enjoyed greater implementation success in the long-run. Moreover, while reaping cost-efficiency benefits, it is unclear whether a non-consultative policy style, where those with most intimate knowledge of what works are marginalized (e.g. street-level bureaucrats), is a sound way of delivering effective policy. Indeed, disconnecting policy formulation and implementation processes in this manner may be an astute strategy for implementing contentious policies, it is less obvious that it produces sound policy. Finally, the standard problem of policy trade-offs undercuts the success of all reform efforts: changes that improve efficiency often run counter to those aimed at effectiveness.

III: Implementing the New Social Regulation in the USA

Aside from the common implementation challenges associated with any new devolutionary measure, the new social regulation presents the states with a series of magnified implementation problems that can be largely attributed to a combination of funding short-falls, new administrative obligations and the rapid emergence of unfortunate side-effects. These problems, in turn, partially derive from federal mandates prescribing work-related behaviors under tighter monetary constraints and partially from the opportunities the states now enjoy to impose their own, individually crafted regulatory demands. Certainly federal government investigations as to whether the states were prepared to implement their new found responsibilities have been patchy at best (see Bowling and Wright cited in Ingraham, 1998). Both the Bush and Clinton administrations have granted federal waivers almost indiscriminately to the states in the absence of sound evidence regarding policy effectiveness (Peck, 1996 cited in WRNN, April 30, 1997). Indeed, lesson-drawing from atypical Wisconsin has proved to be politically inviting for national and international policy-makers alike despite the fact that Tommy Thompson's Wisconsin Works reforms were never subject to rigorous evaluation (Mead; 1996:594). Moreover, according to one report, “In Wisconsin’s 1996 welfare experiment, nearly two out of three former recipients had lower income than during the three months before they left welfare” (CDF, 1998).

Not surprisingly, for most states the new social regulation has proved to be both costly and administratively complicated. As Mead (1996:589) reminds us, “the goal of welfare administration was mainly to pay out grants accurately.” Now it is to monitor, verify, punish, re-evaluate and administer. Stoker and Wilson (1998:404) remark how, “such intrusions into the
lives of clients may be inconsistent with the culture and practices of welfare bureaus, which emphasize case processing, routinization and centralized control.” Indeed, despite policy-makers unwillingness to see the new social regulation as a new institutional problem, most case studies persist in emphasizing its administrative dimension. Of course, we should not lose sight of the fact that by its very nature the new regulation encourages implementation confusion. For example, that political officials require welfare recipients to be monitored and punished, yet simultaneously define heavy punishment ratios as an administrative failure that local welfare officials must remedy, certainly compounds the administrative problem (see Stoker and Wilson, 1996: 403-4).

Let us start by summarizing some of the PRWORA’s principal regulatory provisions and then consider the states’ capacities to implement these reforms in the absence of organizational adaptations and in light of tightened economic resources and the efficiency benefits sought from welfare reform:

* Any individual can only receive welfare assistance for five years during their entire adult lifetime (counting from the PRWORA’s enactment). A “hardship” provision allows states to exempt up to a fifth of their caseload from the five year upper limit. The responsibility for helping families who do not find work within this period and are not exempt from work, must be shouldered by the states.

* Each state is required to demonstrate that a minimum of 35 percent of recipients are working (for a minimum of 20 hours per week) by FY 1997 (three-quarters of two-parent families for a minimum of 35 hours per week). This figure must rise to 50 percent (and a minimum of 30 hours per week) by FY 2002 (90 percent of two-parent families for a minimum of 35 hours per week). This means of course, that the states will have to find an excess of one million jobs by the close of FY 1997 (or face financial penalties by the federal government), doubling to over two million jobs by FY 2002 (Bailey, 1998:129; WRNN, April 1997).

* Within two years of receiving welfare, claimants must work (unless exempt). At state discretion, this period may be reduced or abolished entirely so that recipients are required to work immediately upon the receipt of benefits. Participation in community service is mandatory after two months of receiving benefits (although states may chosen to waive this provision).

* No person between the ages of 18 and 50 (without children) may receive food stamps for more than three months in a three year period (unless exempt for medical reasons).

* Education, vocational training and school attendance (in high school or GED for teen-parents) can only replace work for 20 percent of claimants in any state. Any recipient can only replace work with education or vocational training for a maximum of one year (as adjusted in the Balanced Budget Act, 1997).
*No TANF funds can be allocated to unmarried parents under 18 years of age without a high-school education (or GED) who have a child of 12 weeks or older unless they are enrolled in an educational program (leading to high-school diploma or GED). To qualify for TANF funding, any parent under the age of 18 must live in an adult-supervised setting (WRNN January, 1997).

*Illegal immigrants and many post-PRWORA legal immigrants cannot qualify for either TANF benefits or Medicaid. Whether “qualified” post-PRWORA immigrants may receive benefits and/or Medicaid is at the discretion of the state (WRNN, January, 1997).

*Sanctions are imposed on families for non-compliance with the above regulations. In the case of an adult refusing to work, the family’s benefit will be reduced pro rata for each day the individual fails to work. At state discretion, the sanction may exceed the pro rata penalty including the full denial of benefits. Medicaid coverage for adults (but not their children) who fail to comply with work requirements may be terminated.

*Sanctions are also imposed on states who fail to meet the PRWORA’s work participation requirements each fiscal year. The first year a state misses the federal governments mandatory requirements it’s grant will be cut by 5 percent, followed by an additional 2 percent cut for each year of noncompliance up to a total of 21 percent (WRNN, January 1997).  

On top of implementing these federal mandates, states are also offered financial incentives to promote sexual abstinence, marriage and cut out-of-wedlock births. For example, the federal government provides an “Illegitimacy” Bonus whereby $100 million is set aside each year to reward five states with the largest drop in out-of wedlock births. Perhaps not surprisingly, to receive their fifth of the $100 million jackpot, the state abortion rate must be lower than its 1995 level (see WRNN, October-November, 1997) – something that is particularly difficult to monitor given that only 16 states provide funding for abortions (other then in cases of rape, incest or when the life of the mother is in danger). The states may also apply for “Abstinence-Only” education funds for the sole purpose of promoting sexual abstinence (not contraception). States are also permitted to impose family cap policies on recipients whereby children born under TANF can be totally excluded (or only partially covered) in the calculation of family benefits.

Clearly, what these requirements add up to is a massive regulatory role for the states and, to a lesser extent, for the federal government. The federal government must monitor state compliance and the states must monitor client compliance.  

As noted earlier, two inter-related problems have emerged with implementing the new social regulation under the constraints of a retrenchment agenda: costs and organizational incapacities.  

(a) costs

The first problem simply pertains to the heavy start-up investments and running costs that have to be born by the state governments. Very briefly, the expense of establishing contracts with
monitoring agencies or training internal monitors, communicating and implementing verification procedures, enforcing rules and sanctions, and re-evaluating claimants in the aftermath of punitive actions, is a natural corollary of implementing an increasingly fragmented, decentralized and paternalistic welfare program.

(b) organizational incapacities
Aside from the heavy start-up and monitoring costs, the states' administrative capabilities to implement the new social regulation effectively has generated much concern. Indeed, cost constraints in combination with a lack of organizational supports, have encouraged state governments to opt for the cheapest and easiest administrative route available: eschewing (or minimizing) the necessary work-supports that will lift new working families out of poverty and, at worst, denying claimants benefits. New York city has been accused of “improperly delaying families’ applications for food stamps and Medicaid”(CDF, 1998), and Wisconsin is under investigation by the Department of Agriculture for inadequately administering food stamps.

Evidence from a December 1998 report by the Children’s Defense Fund and the National Coalition for the Homeless finds that while more families are coming off welfare and moving into work, a significant portion are falling deeper into poverty. According to the report, many families that have moved from welfare to work lack the three most basic necessities of life: food, shelter (or stable housing) and medical care. The CDF’s summary report notes, “an increase in extreme childhood poverty nationwide; a proliferation of inadequately-paid employment; and signs of rising hardship for many families leaving welfare.”

Many states and counties are only incrementally developing the administrative capacities to implement the new regulation effectively; that is, with a degree of equity and in a manner that will help recipients escape poverty. The standard prescriptions for successful implementation include precise, recent records, reliable and fast data communication across organizations, sound procedures for notifying clients of their rights and obligations, and the swift application of sanctions (or rewards) for compliance, thus allowing claimants to draw cause and effect relationships between their behaviors and the penalties they receive (see Ethridge and Percy, 1993:343-346, cited in Stoker and Wilson, 1998:395).25

Yet, the CDF (1998) report finds that a significant minority of those leaving welfare have not been informed that they could still apply for Medicaid, food stamps and childcare. This is perhaps not surprising given that close to 18 percent of the states were found to have no outreach facilities to inform those leaving welfare of their child-care rights--one of the main reasons why welfare recipients fail to find stable work (CDF, 1998). One study of Utah examining families who had their benefits terminated for non-compliance found that 23 percent could not participate for transportation reasons; 18 percent cited child care as the main reason; 43 percent
reported health problems and another 20 percent cited a mental health issue (CDF, 1998). The CDF report cites one state official as claiming that around 50 percent of parents who were sanctioned experienced real “participation barriers” that were never assessed. Another study of Minnesota found that “penalized families were twice as likely to have serious mental health problems, three times as likely to be judged to have low intellectual ability, and five times more likely to have family violence problems compared with other recipients” (CDF, 1998).

In the absence of adequate administrative capabilities to implement the new social regulation, important inequities in the application of the new rules have become all too evident. A uniform application of social regulation, of course, is essential for the perception of equity which is integral to the legitimacy of heavily punitive welfare reforms. While the PRWORA may deprive claimants of their “social citizenship”, the paternalistic thrust of the new agenda at a minimum demands that verification is systematic and not subject to racist, sexist stereotyping. A uniform application of punitive measures, of course, is heavily contingent upon the quality of the organization’s data (Stoker and Wilson, 1998:402).

The quality of an organization’s data, in turn, is fundamentally dependent upon the reliability of its verification procedures. Stoker and Wilson (1998) provide us with a useful study contrasting two verification procedures used to implement Maryland’s Primary Prevention Initiative: an organizational-based strategy and a client-based procedure. The research highlights the administrative complications involved in using both procedures. The organizational-based strategy required a great deal of procedural upheaval and a considerable amount of new administration for local welfare officers. Equally important in light of the objective of social regulation, according to Stoker and Wilson (1998:399), is the fact that, “it fails to reinforce the message of personal responsibility. Because clients are passive participants, sanctions happen for reasons they may not fully understand.” Client-based verification, on the other hand, is more straightforward, faster, cheaper and compatible with standing organizational practices. It also encourages the notion of personal responsibility (Stoker and Wilson, 1998:399). Yet, it is also considerably less reliable and prone to fraud.

While sound verification procedures are a necessary condition for equal treatment of recipients, they cannot ensure that local welfare bureaus will equitably enforce participation mandates. Mead (1996:595) recounts how implementation of the JOBS program in Wisconsin differed in important ways across counties. Not only did this result in unequal opportunities for claimants, it also frustrated the more aggressive implementors. Administrators in Kenosha and Sheboygan counties reported that they ran a considerably stricter workfare program that their counterparts in Dane, Fond du Lac, Milwaukee and Racine counties who were “more lenient about non-participation and ... favored training clients for “better” jobs rather than requiring them to take low-wage positions immediately” (Mead, 1996:594).
Given that education and vocational training are closely associated with considerably better long-term labor market prospects than immediate job openings, such implementation discrepancies are far from insignificant.\textsuperscript{27}

In sum, implementing the new welfare paternalism requires heavy start up and monitoring costs, both demanding the collection of a daunting amount of new information (which is costly and difficult to obtain). Moreover, it requires that administrators not only monitor and process this information but also act upon it with uniformity and equity. To do so, they must be able to draw conclusions about causal relationships, interpret economic, social and personal conditions of claimants, and link these situations to state and federal mandates (and the opportunities both provide for exemption). Moreover, they must be able to relate their own behaviors to the overall performance of their organization and that of other agencies.\textsuperscript{28} Amidst such contingency, welfare recipients’ prospects are very much dependent upon the talents and inclinations of their caseworker.

The organizational side of the regulatory equation may well be something states adapt to in time, developing the necessary administrative procedures to improve verification processes and ensure a more equitable treatment of recipients across local welfare bureaus. The financial incentives for them to do so, however, are low. Inter-state competition within the confines of a national, unified market produces its own pressures for welfare residualization as each state has incentives to cut its benefits to stave-off an influx of claimants and ward-off business flight (Pierson, 1995).\textsuperscript{29} Such competition, in combination with block grants and results monitoring, puts considerable pressure on the states to adopt a minimalist, short-term approach to welfare reform.\textsuperscript{30}

Some of the unfortunate policy consequences mentioned above not only stem from the uneasy relationship between retrenchment and the new regulation. They also derive from some weak strains of causal reasoning embedded in the regulatory dimension of the new agenda.

IV. Policy Ideas and Unintended Side-Effects
A defective causal logic embedded in a policy is perhaps the main non-institutional explanation for implementation failure found in the literature (Pressman and Wildavsky, 1987; Sabatier and Mazmanian, 1979; Sabatier, 1995). If the ideas that drive the policy are founded on a skewed diagnosis of means and ends, no amount of rule change, clarity or procedural streamlining will secure the results that policy-makers desire. This problem is, of course, exacerbated where policies have multiple, uncomfortable goals.\textsuperscript{31} The assorted (and rarely harmonious) causes of any social problem make it extremely difficult for policy-makers to (a) identify the real source of social problems (Wiseman, 1996, Mead, 1996), (b) treat the multiple, potentially antagonistic causes, and (c) predict and evaluate the severity of unwanted side-effects.
Of course, the causal logic embedded in any policy is never either wholly flawed nor wholly sound. Given that any such causal reasoning is usually based on political theorizing, it typically displays both robust and fallacious assumptions. For example, if we take the PRWORA’s main goal to be getting people into work, then imposing participation requirements and benefit time-limits makes a good deal of sense. Indeed, participation mandates have had far greater success in cutting welfare rolls than simply providing welfare recipients with the incentives and opportunities to work (Mead, 1996:590).32

Yet, requiring welfare recipients to work without providing the resources to help them stay off welfare (or lift them out of poverty) reflects policy-makers flawed understanding of the welfare dilemma: the main impediment to work is personal irresponsibility and poor labor market morals, not structural conditions, such as skews in the low-wage labor market (see WRNN, 1997; Staeheli et al, 1997). This, in turn, has led policy-makers to adopt a profoundly "aspatial" approach to welfare reform, despite the distinctly spatial context that the PRWORA must be implemented within (see Staeheli et al, 1997).

For example, the work participation regulations mandated by the PRWORA demand that approximately one million welfare recipients join the national labor market between 1997-2002 (WRNN, July, 1997). Based on a national calculation of growth rates, the market should be able to absorb this influx without unnecessary complications. Yet labor markets in federal countries the size of the United States rarely function on a purely national basis. Indeed, work opportunities are heavily regionalized, and in many cases, localized. And, just as work opportunities are regionalized, so are the risks of job displacement. Especially in areas with particularly stubborn unemployment problems, employers have clear incentives to replace workers with cheaper welfare recipients and/or impose pay cuts on their workers given the increased competition at the bottom-end of the labor market.33 One team of investigators at the Economic Policy Institute have reckoned that TANF's work mandates will cause an 11-12 percent drop in real wages (WRNN, 1997).

Compounding these spatial differences is the fact that employment skills are also regionalized. In many of the toughest areas to find employment, welfare recipients simply do not have the necessary training to compete effectively in the labor market, even for very low-paid employment. Welfare recipients, of course, do not exhibit a normal distribution of education, skills and training. To the contrary, low-skill individuals, who are the hardest to employ, suffer unusually high rates of unemployment (compared to the national 5 percent average), yet these are the very people who the punitive welfare reforms affect most severely.34

Several states have sought to compensate for some of these side-effects by designing (and funding) their own support programs. Most effective among these efforts, with respect to encouraging work and alleviating poverty, has been the use of wage supplements and work
supports (CDF, 1998). Illinois, for example, responding to the simple fact that paid employment
has failed to relieve family poverty in many cases, has chosen to use state money to support
working recipients beyond the five year limit mandated under the PRWORA. Similarly, given
that a large number of recipients who fail to comply with participation mandates cite
transportation as the principal reason, Job Oasis provides a number of buses to transport people
on Chicago’s West Side to jobs in the suburbs (CDF, 1998).\textsuperscript{35} Chicago also boasts one of the
most highly personalized projects in helping parents who face several employment barriers find
work. Project Match leads welfare parents through each stage of the employment process. Given
the instability of many positions that welfare recipients must accept, the project maintains
relationships with the parent once they have left welfare and steps in again in the (highly likely)
scenario that the parent’s job is terminated or lost (CDF, 1998).

Yet, the states have few financial incentives to implement new welfare support programs.
As noted earlier, social regulation in combination with retrenchment favors short-term, low-cost
solutions rather than investment in the education and training that are necessary for most welfare
recipients to become self-sufficient in the long-term. Equally unfortunate, of course, is the
federal government’s lack of evaluative procedures to investigate which support programs are
offering the highest pay-offs.\textsuperscript{36}

V. Conclusions
The pace of regulatory welfare reform has gathered much greater momentum in the United States
than elsewhere. This can partially be accounted for by the comparatively under-developed
institutional and cultural foundation of the American welfare 'state' and the weak constraining impact
of highly contingent and residual policy structures (see Pierson, 1994). The United States stands out
among the English-speaking countries as a retarded and residual welfare state where the principle of
workfare has deep roots; in the work houses of the last century (Skocpol, 1992), the work relief
programs of the New Deal and the Work Incentives Program of the late 1960s. More recently,
however, is has come to approximate an ideology (WRNN, 1997).

The new regulatory agenda, of course, has been greatly facilitated by a set of wider
forces not present in many other countries, including a set of policy advocates who command the
institutional authority to push welfare reform through to completion, a broad coalition of support
drawn from the legislative arena and interest groups who have maintained its momentum (see
Sabatier and Mazmanian, 1979). Indeed, the United States is perhaps the only case where welfare
reform has enjoyed broad popularity. Less “the middle-east of domestic politics” (Califano, 1981
cited in Mead, 1996:589) than it was twenty years ago, welfare reform has increasingly been
subject to bi-partisan consensus-building efforts. The cross-party support driving the new agenda
has certainly contributed to the lack of administrative preparation necessary to counteract some of the worse side-effects of the new regulation. Indeed, the political opposition frustrating or moderating aggressive reformers elsewhere has been sorely lacking in the United States.

Aside from the bi-partisan rush to reform welfare, a number of other factors help explain why policy-makers have embraced a highly paternalistic agenda without investing in the organizational and programmatic supports necessary to alleviate its worst side-effects. First among these is policy-makers highly individualistic, non-structural diagnosis of the welfare dilemma. As noted earlier, if one assumes that the main reason people fail to work is simply a lack of personal obligations towards the labor market, then retrenchment seems quite compatible with the new regulation; once people are forced to work, welfare rolls will diminish and there will be relatively few people to monitor, audit and sanction. New work-support and job creation programs are largely unnecessary if structural factors play little part in the welfare dependency equation.

Second, the federal structure of the United States government has masked many of the policy and organizational inconsistencies resulting from the new retrenchment-regulatory agenda. Federalism can provide policy-makers with a critical set of structural opportunities for implementing highly contingent and fragmented welfare policies. While inter-governmental power-sharing is typically conceptualized as a hindrance to successful (centrally-coordinated) implementation owing to the added number of "clearance points" that policy must pass through, we should keep in mind that it is the very objective of welfare reform in the United States to implement a “spatially dispersed”, uncoordinated, fragmented welfare state (see Staeheli et al, 1997; Kodras, 1997; Cope, 1997). Baumgartner and Jones (1993) draw a neat contrast between change and direction: the decentralized and interdependent institutions of the multiple American governments are not resistant to change, simply to direction. When policy-makers seek to implement non-coordinated policies, a particularly effective means of imposing losses, the structural possibilities for creating such fragmentation can be a decisive asset.

Intergovernmental power-sharing also serves to obscure policy and organizational inconsistencies. As resources and responsibilities are shifted across levels of government, retrenchment at the federal level (achieved through managerialist techniques, devolution and ungenerous block grants), seems less incongruent with administrative growth at the state level--despite the fact that devolution was widely flagged as a means of reducing the size of government (itself a rather malleable concept in a federal system). Equally, it encourages a profoundly aspatial politics (such as "learning" from atypical, low-unemployment Wisconsin and inappropriately generalizing across highly regionalized labor markets). Of course, had policy-makers interpreted welfare dependency as a structural issue, they would have been less prone to draw lessons from one mid-western state.
Together, these factors help explain both the momentum the new regulation has gathered in the United States and why it has produced such disturbing side-effects despite its success in moving people into work. Several other countries have adopted forms of workfare (albeit without the elaborate array of behavioral requirements), while escaping many of these problems. Denmark and Norway have practiced "active line" workfare programs since the early 1990s.39 Yet, unlike the United States where policy-makers have severely limited spending on critical work supports (including educational and vocational training) whilst rendering welfare recipients all the more dependent upon them, Norway and Denmark have invested far greater resources in the work, education and vocational training programs needed to place welfare recipients in long-term jobs. Interpreting welfare-dependence as a largely structural problem, both countries have taken precautions to prevent the job displacement, severe skews in the low-wage labor market, and the new poverty-trap that many people leaving welfare now confront in the United States.

For sure, active line policies in no way approximate the range or severity of regulatory requirements attached to the receipt of benefits accompanying the PRWORA. And, the size of the agenda is surely important to the success of implementation. Unlike countries where the social partners, partisan conflict and the public have had an important moderating impact on the severity of workfare initiatives, the bi-partisan approach to welfare reform in the United States has encouraged much greater radicalism and much less attention to the administrative and labor market side-effects. Still, despite the flood of international (especially British) policy-makers to Wisconsin, the North European active line policies provide a more cautious and considered alternative learning model for policy-makers seeking to effectively move people from welfare-to-work.
References


Notes

1 The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 terminated Aid to Families with Dependent Children (AFDC), the principal federal welfare program in the United States, replacing it with the more conditional block grant TANF (Temporary Assistance for Needy Families). The details of these programs are discussed later in the paper. Suffice it is to say at present, “welfare” in America essentially means TANF (unlike the conglomerate of programs composing the European welfare state).

2 Pierson (1996) coins the term “the new politics of welfare” to differentiate between the popular politics of welfare expansion and the unpopular politics of welfare retrenchment.

3 The lack of attention to implementation processes within the “new politics” literature partially reflects the level of analysis at which most of these comparative works are situated. It may also, however, say something about the gulf that continues to separate public administration and comparative politics and a lingering assumption that politics and administration are discreet tasks (see Svara, 1998 for an interesting discussion of the normative foundations of this model). The implementation approach, of course, has also been somewhat overshadowed in comparative policy studies in recent years by “bottom-up” network theorists. See Linder and Peters, 1987 for a very useful discussion of this debate.

4 While welfare reform has topped the agenda of all the advanced industrial societies, the empirical and normative goals of welfare restructuring differ in important respects across “worlds of welfare” (Esping-Anderson, 1990). The most pertinent distinction for our purposes is between the English-speaking democracies, and especially the United States, and the European welfare states: mimicking the American residualist and regulatory way, the English-speaking countries have aimed to shift the ethos of welfare provision by regulating the social, economic and reproductive behaviors of welfare recipients far more significantly than other European countries where economic issues dominate the reform process.

5 Stoker and Wilson (1998:395) summarize the three basic components of the new social regulation: (1) rules or standards for prescribing responsible behavior; (2) enforcement agents and auditors to monitor and deter deviations from the rules; (3) sanctions applied to those who violate the rules.”

6 While it is widely accepted that it is unsound to evaluate policy implementation until at least a decade after enactment (Mazmanian and Sabatier, 1983; Sabatier, 1985), we may draw upon the experiences of the states under the federal waiver program to begin to grapple with some of the complexities involved implementing the new retrenchment-regulatory agenda.

7 Institutions, of course, are intimately associated with the path dependency of policy (see Wilsford, 1997:251-2). New rules are usually required to disrupt policy paths, although the costs of departing from an established way can be extremely high, especially where policy-makers have incurred heavy start-up investments. See Arthur (1994) for an analysis of policy lock-in; see also Pierson (1993) and Myles and Pierson (1999).

8 Levine (1978:318-9) acknowledges that environmental entropy is, in many respects, political given that much depends upon whether the public choose to finance services via taxation.

9 Examining the US federal government between 1933 and 1986, Peters and Hogwood (1988) detected close to two thousand organizational changes.

10 Peters (1995:168-9) has rightly pointed out, of course, that; “the shake-up of an organization in the re-organization process may be as beneficial as any particular organizational format.” Indeed, the process of reform itself may be as important in transmitting new meanings and breaking old symbols as the new rules themselves (Jervis and Richards, 1997:4). Moreover, all forms of organizational design incur trade-offs (Peters and Savoie, 1996).

11 The New Public Management (NPM) refers to a series of public sector innovations found as far apart as the North America, Europe, Latin America and Asia. The new managerialism applies private sector management techniques to public sector governance, employing instruments such as competitive tendering, deregulation, market-based incentives, accountability for results, and an emphasis on customer service (see Kaboolian, 1998:190; Hood, 1991; Terry, 1998; Nagel, 1997). In Ingraham's (1998:101) words, ""product" and "performance" rather than process, [have]... become governmental bywords.' See Peters, 1996; Light,
1997; Kaboolian, 1998; Terry, 1998. Not all reform movements are identical and their position on critical issues such as accountability are surely varied (Hogwood, 1994; Brans, 1997). For example, while opponents of the NPM reforms in Britain have complained of back-door privatization, in Sweden the NPM reforms have allowed government to re-assert control over highly autonomous agencies (Brans, 1997:401).

12 A large number of commentators have criticized the NPM reforms for their lack of sensitivity to democratic concerns (see Kettl, 1993; Cook, 1998; Terry, 1998; Kelly, 1998; Moe, 1994).

13 As Brans (1997:406) comments, “NPM techniques are intimately involved with the exercise of power including the concerns of some and excluding the concerns of others, distributing responsibility and causality, attributing blame as well as efficiency.”

14 As Lynn (1998) points out, of course, managers still negotiate over critical 'political' factors such as objectives, performance criterion, targets and so forth.

15 Richards (1997:41) explains; "top civil servants had been oriented towards the policy side of civil service work and were recruited and developed to fit them for policy tasks. With the growth of the welfare state, government had taken on new management functions but the culture of the mandarin class at the top had not shifted significantly to accommodate this change. The new government in 1979 found a huge complex set of civil service organizations which were being administered rather than managed in a performance oriented way. ....While it was important for the new government’s strategy to reduce public expenditure in the short term, bigger gains could be made only if the civil service itself became better managed. An important reform task, therefore, was to create a managerial culture where before an administrative culture had prevailed."

16 See Hanf, 1982; Hanf and Scharpf, 1978; see Jervis and Richards, 1996:3; Richards, 1997. Reviewing the implementation literature, Sabatier (1985:316) concludes that, “official policy-makers” have a rather poor capacity for regulating street-level bureaucrats.’ Still, he also cautions against over-blowing their impact, “the initial pre-occupation of implementation scholars with explaining program failures led to an unrepresentative set of policy cases, and also certainly exaggerated the autonomy of street-level implementors vis-à-vis formal policy-makers” (Sabatier, 1985:317)

17 As Jervis and Richards (1997:1) comment on the British case, “recent reforms have produced dramatic increases in two of the Audit Commission’s three E’s--economy and efficiency--but the ability to achieve effectiveness, both in policy formulation, implementation and service delivery is being frustrated. The paradox is that the ‘recipe’ which has produced substantial gains in economy and efficiency is being revealed as increasingly unsuitable for effectiveness.” The authors continue, “Effectiveness is being inhibited among other things by continued centralization, the constraints of a functionally-organized core executive in central government, and the increasing burden of audit and monitoring which has been instrumental in improving efficiency. All these militate against the effective tackling of complex problems requiring co-ordinated multi-disciplinary, multi-organizational responses.”

18 According to Congressional Budget Office estimates, under TANF the states will have $12 billion less than they need to implement work-participation mandates over the 1996-2002 period (before childcare costs). See Super, Parrott, Steinmetz and Mann, 1996, cited in WRNN, April 1997.

19 To qualify for TANF funds states were only required to show that they had submitted a complete application to the Secretary of Health and Human Services, not a detailed plan outlying how their welfare program would work (see WRNN, January, 1997).

20 Sound analyses, of course, may have been hard to deliver in any case simply because most waivers contained such a large number of initiatives that drawing causal inferences would have proved extremely difficult (see Peck, 1996 in WRNN, April 1997).

21 Some of these regulations have come in for heavy criticism owing to their high potential for severe side-effects (for example, domestic violence). The PRWORA requires women to cooperate in establishing child paternity and enforcing child support payments. A number of women’s groups have expressed concern that this will have the effect of helping abusers trace their victims. Similarly, the financial difficulty that the PRWORA imposes on women, including the benefit time-limits, is likely to keep women in abusive
situations for economic reasons. The PRWORA does offer some response to domestic violence victims through the “hardship” exemption (which includes cruelty and physical abuse) and, far more effectively, through the Wellstone/Murray Family Violence Amendment to the PRWORA which provides exemptions from the benefit time-limit, child support cooperation, residency requirements and family exclusion policies. The implementation of this amendment, however, is a state option (see IWPR, Welfare Monitoring Project, April 1997). Immigrant women have no such protections, save Medicaid under emergency conditions.

22 Many of these incentives were included in the Balanced Budget Act additions of 1997.

23 The state illegitimacy ratio is calculated on the basis of all women bearing children, not simply those receiving TANF.

24 These mandates are complicated further by the fact that the onus on states vary. For example, states operating under a federal waiver before the PRWORA was enacted (22nd August 1996), can continue their waiver program. However, states whose waivers were pending when the PRWORA was enacted (and approved by July 1 199) must enforce the PRWORA’s work-related demands but not other requirements that may conflict with the PRWORA on the proviso that they are “cost-neutral” to the federal government’ (WRNN, January 1997).

25 In most complex verification cases, welfare agencies usually have to rely on contractors to collect information which tends to reduce the quality of the data. This also requires that the agency monitors the contractors’s behavior--something that state and local bureaus are not particularly adept at doing (see Kettl, 1993 cited in Stoker and Wilson, 1998:397). Moreover, when the same contractor is hired to both deliver and verify services (a useful arrangement from the perspective of the costs involved in information gathering), the risks of using an agent are exacerbated as the contractor has financial incentives to 'massage' the data (Stoker and Wilson, 1998).

26 Implemented through the waiver scheme, the statewide PPI demonstration project required AFDC claimants to fulfill certain educational and health conditions: pre-school children of recipients were required to be immunized (and receive some preventative medical care) and school-aged children were required to be in school a minimum of 80 percent of the time (Stoker and Wilson, 1998:396). Failure to comply with these requirements, resulted in a penalty of $25 per month for each act of non-compliance. Rewards were issued in the form of an annual $20 bonus for each family member having a health check-up (Stoker and Wilson, 1998).

27 Research by the IWPR (1997) indicates that a working mother who has a high-school certificate will earn approximately $1.78 per hour more than had she not finished high-school, whereas work experience only supplements pay by a matter of cents. The Children’s Defense Fund (1998) reports that, “only a small fraction of welfare recipients’ new jobs pay above poverty wages; most of the new jobs pay far below the poverty line.” A number of studies indicate that welfare programs providing vocational training are particularly useful in helping recipients to gain above-poverty level jobs (WRNN, 1997).

28 Brans (1997) points out that, “monitoring institutions not only need information on internal performance but must also know when performance is influenced by external factors. They need cause-effect information on multiple intraorganizational factors as well as multiple organizational environments .....Performance assessment thus requires extensive resources, expertise as well as commitment.”

29 Pierson (1995) argues that "decentralized" federal systems (those granting substantial authority over social policy to the sub-national unit), operating within a unified market (e.g. the United States), weaken social protection through state competition to attract business (and repel claimants). Political leaders who enjoy the benefits (with respect to retrenchment) of decentralized federalism, therefore, have both the incentives and authority to shift social policy provision to the states (Pierson, 1995:456-7). The empirical evidence with respect to the "welfare magnet" effect is mixed (see Dye, 1990; Peterson, 1995; Francis, 1998). What seems to be important is not whether claimants actually cross state borders in search of higher benefits, but whether policy-makers believe that they do--a fear that is exacerbated by the increased use of block grants (see Francis, 1998:7 for an overview of this debate; Staeheli et al, 1997; Cope, 1997). Approximately 30 percent of states have implemented a benefit limit on ‘arrivees’ to prevent any such influx (although such measures have attracted a number of lawsuits and constitutional challenges, WRNN,
More important than the behavior of claimants is the behavior of business; specifically, capital flight to neighboring, low benefit states (see Staeheli et al., 1997; Francis, 1998).

30 Many social policy experts attribute much of the decline in welfare rolls to a strong economy and are forecasting dire consequences with the first signs of recession—consequences that will only be alleviated if the states invest much more money in costly work-participation strategies and subsidized employment at a time when they are least able to do so.

31 For example, contrary to PRWORA’s logic that tighter benefits reduce welfare rolls, Mead (1996:588) recounts how the Wisconsin experience of lower benefits between 1989 and 1993 was actually accompanied by a three million person “surge” in welfare claimants. “This time”, Mead comments, “the main causes apparently were a recessionary economy and rising rates of unwed pregnancy.”

32 According to Mead (1996:597), “Whether welfare recipients go to work is not dictated by the environment, as the descriptive literature on welfare and poverty tends to suggest. It also depends on whether the adults are expected to work.”

33 Anti-displacement regulations under AFDC forbid employers from replacing workers with welfare recipients. The PRWORA is much less rigorous on this matter, simply stating that employers must not have the “intent” of doing so (WRNN, 1997).

34 Close of half of all welfare recipients are single mothers under the age of 35, usually with less than a high school education. When the PRWORA was enacted, white women with a high school education experienced an unemployment rate of 4 percent. This figure rose to 9 percent and 11 percent for Hispanic and black women respectively. For women lacking a high-school education, the average rate of unemployment rose to 14 percent. This figure rose to 21 percent when calculated for black women only. Underemployment rates for black, white and Hispanic women are approximately double their actual unemployment rates (figures from Berstein, 1997, cited in WRNN, 1997).

35 Approximately one quarter of welfare recipients are rural-dwellers where job opportunities tend to be considerably weaker than in urban centers. Some of more innovative state initiatives have involved relocation allowances. Kentucky, for example, provides a one-off payment of $900 to relocate recipients who can prove they have found a minimum wage employment for at least 30 hours per week (WRNN, July, 1997).

36 Evaluation had been mandatory since the Family Support Act of 1988. While setting aside $15 million per year for such activities until FY 2002 (split between state and federal evaluation efforts), the PRWORA simply advocates that states should continue to evaluate their waiver programs via experimental research methods (e.g. random sampling). Policy evaluation, in other words, is very much discretionary. Indeed, much of this effort has fallen upon the shoulders of advocacy groups and academic and policy institute researchers (WRNN, February, 1997).

37 The implementation literature tends to envision institutions as an obstacle course to be maneuvered around (typified by Pressman and Wildavsky’s conceptualization of “clearance points”); the greater the number of institutions involved in the implementation of any given policy, the lower the chances of success. These problems are usually though to be exacerbated in federal systems, where implementation demands intragovernmental (and often cross-party) cooperation (see Peters, 1995:8 for a summary). As Alexander (1997:451) argues, the “Pressman-Wildavsky model ... finds a paradox in the success of any federal programs, based on their low probability of approval.” The ‘failure-oriented’ thrust of the implementation literature is partially a function of its dual assumptions that all veto points and all veto players are equal. More recent research, of course, emphasizes the “bi-directional” effects of institutions (Weaver and Rockman, 1993). That is, intra-governmental power-sharing can indeed aggravate coordination problems but it can also facilitate blame-avoidance—a particularly important factor when leaders seek to impose losses and implement divisive measures.

38 While we have focused on the problems the states have faced in implementing their new found regulatory responsibilities under conditions of retrenchment, it is worth noting that implementation is not a uni-directional process. Intergovernmental power-sharing also provides opportunities for policy challenge. Veto players are
often most effective after the fact--when the consequences of painful measures become clear and when concerned parties have had an opportunity to mobilize. In less than a year, Florida had filed a suit claiming that the PRWORA placed a crippling financial burden upon the state (in excess of $1 billion per annum) owing to its large number of legal immigrants. In a word, several states have sought to resist parts of the new regulation in the courts rather than implement its provisions. Similarly, the extensive judicial system accompanying the federal structure has presented opportunities for groups seeking to contest state-imposed regulations. Family cap policies, for example, have received a number of constitutional challenges. The New Jersey and Indiana state civil liberties unions have brought state court class actions on the part of TANF recipients and their children, arguing that caps interfere with their right to privacy, family integrity and punishes minors for their parents behaviors (WRNN October/November, 1997). Still, once welfare provision has been severely fragmented, the likelihood of individual states and groups coordinating a national response is low. The most states may hope for is an extension of the PRWORA's exemption provisions.

39 In Denmark, the active line has gained considerable currency, indicating a marked shift away from cash benefits towards a much greater emphasis on work, education and training. As Plovsing (1994:31) observes, 'slogans such as "there is a need for everyone", "from passive to active" and "give and take" reflect subtle changes in the ideology of social policy. Indeed, much like the new emphasis on recipients' work obligations found in the United States and Britain, "The active line does not only imply that society should give the unemployed more opportunities to work....The active line also means that the unemployed are obliged to work and to accept these offers—otherwise they risk losing the right to case benefits" (Plovsing, 1994:31-2). Similar changes have been occurring in Norway, with a move away from "passive" to "active" income maintenance (Lodemel, 1994:61).