

## Framing the Welfare Policy Process



Public policy is concerned with problem definition, issue construction, agenda setting, the emergence of policy options, the actions (or inactions) of governance, and the effects and impact of such action or inaction. Welfare policy articulates values, crafts meaning, justifies political decisions, assigns or reinforces status, and may even attempt to solve social problems. The boundaries of the welfare conflict space are defined by the understandings generated through the battles over problem definition, the political negotiations over policy design and adoption, the bargaining, competition, and cooperation inherent in the implementation, and the culture and craft of enactment. The potential for learning from these conflicts is contingent upon the type of evaluation or analysis as well as the degree of opportunism.

This chapter proceeds by outlining the research defining the nature of those boundaries and the interconnected processes of welfare provision. Then, I describe a theoretical framework for analyzing the impact of welfare policy that offers the potential for learning. Understanding the extent to which different policy choices provide opportunities for large numbers of people to move out of poverty by comparing how programs vary across states is a necessary but not sufficient condition for policy learning. It is essential that we also consider the nature and location of influence in order to ascertain for whom opportunities are afforded. My approach utilizes various analytical strategies to identify how opportunities can be broadly obtained and opportunism minimized. In this chapter, I also explain those analytic strategies.

### Organizing the Welfare Literature throughout the Policy Process

Welfare policy as a field of study began with the definition of poverty as a social problem. Stories of welfare practices in the United States cannot be easily untangled from the Judeo-Christian traditions that defined the worldviews of the colonists and shaped the approach that the colonies took toward the welfare of the native populations. In many respects, those stories emphasize compassion, but the practices reveal patterns of compassion for those deemed worthy. In the European Christian worldview, God's will was invoked to enrich and empower Christian followers. Consequently, Native Americans represented an opportunity to convert more souls and justify the taking of native lands in the name of God and the monarchy. Alternatively, the concepts of reciprocity and the practice of gift exchange were the central tenets of building relationships, forming alliances, addressing disparate needs, and established the welfare customs of the North American Indians. Reciprocity and gift exchange are based on the behavior of the "other" and maintain an emphasis on long-term objectives. These practices represent fundamental differences in the worldviews of the colonists and the indigenous population regarding human welfare. Attempts to enslave Native North Americans were unsuccessful, so contracts for indentured servitude, primarily performed by African slaves, convicts, paupers, and servants from the British Isles and throughout the continent of Europe, were sanctioned by colonial authorities. The contracts often provided the prospect of land ownership as an incentive at the end of the period of service, but the condition of servitude also often required conversion to Christianity and was justified as a charitable act by Christians.<sup>1</sup>

In the early colonial period in America, Christians were legally defined as worthy of the protections of the state. The word *Christian* in the legal code defined the rights and obligations of citizenship. The legalization of the institution of slavery in New England in 1641 shifted the legal discourse to an emphasis on "Black[ness]" identifying the subjects of private property, making slavery perpetual and inheritable in the North American colonies and subsequently the United States while retaining the proceeds of the Christian identity.<sup>2</sup> The legacy of stories of compassion and the practices of judging the worthiness of the "other" viewed through the lens of religion and race continue to affect the character of welfare in the United States as the "problem of poverty" is constructed and reconstructed.

The development of the various stages of the American welfare system begins on a path set by the English Poor Laws.<sup>3</sup> During the Tudor period (1485–1603), fundamentalist battles between conservative Catholics and Reformers contributed to increasing the challenges of poverty as the closing of the monasteries in the 1530s limited the help available to people living

in poverty. Demographic changes, high rates of poverty, and power politics during this period also resulted in increasing migration to the American colonies by Reformers in particular. Two years prior to the end of the Tudor dynasty, the Act for the Relief of the Poor (1601), commonly referred to as the Elizabethan Poor Law, was passed by Parliament formalizing the practices of poor relief and refining the Act for the Relief of the Poor (1597). In the state-centric view, this is the origin of the legal construction of poverty as a social problem necessitating the use of governing authority.

The English system of poor relief was imported during the colonial period and has since been characterized by localism in implementation and in the moral justifications for definitions of deservingness (Handler and Hasenfeld 1991; Katz 1989; Quigley 1999), which have always included gender, race, ethnic, and religious dimensions (Gordon 2002). Participation has been marked by stigma (Handler and Hasenfeld 1991), and the welfare state federally structured by the New Deal institutionalized the race-gendered, Judeo-Christian justifications regarding who is deserving and who is undeserving (Lieberman 1998; Mettler 1998). The federal programs for the “deserving” included Social Security Old Age Insurance, Unemployment Insurance, Old Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. Separate state and local aid programs were widely perceived as inferior (Hecllo 1994) and targeted those who did not fit the “white male breadwinner” model. However, state and local policy choices regarding job category eligibility were often designed to exclude women and people of color (Lieberman 1998; Mettler 1998).

The role of mass pressures and resistance as a factor in the expansion of welfare coverage is fairly well established by scholars using the comparative method (Fording 1997; Piven and Cloward 1971; Schram and Turbett 1983). Additionally, beneficent responses to black insurgency specifically have been contingent upon electoral access and political mobilization as well as the black share of the population (Fording 2001). In other words, when black citizens did not have adequate access to electoral institutions and strong political mobilization or where the black population represented a smaller share of the state population, increases in incarceration rates with few concessions for welfare relief were evident in response to mass insurgency.

Stories of provider corruption and claimant fraud have their roots in the patronage practices characterizing Civil War Pensions (Skocpol 1992), and using these stories as a strategy for discrediting welfare has long been a conservative strategy for dismantling the welfare state (Piven and Cloward 1971). Anti-welfare fraud campaigns were especially common and particularly effective in the South by focusing on black caseloads and calling upon the myth of black criminality and the myth of black laziness (Gustafson 2009; Jordan-Zachery 2009; Kohler-Hausmann 2007; Reese 2005; see also

Mendelberg 2001; Schram, Soss, Fording 2001). Political rhetoric and mass media framed welfare politics with a black face. In the 1960s, race dominated the welfare politics conflict space, and myths of black laziness, criminality, and irresponsibility were used to recast welfare policy as the problem rather than poverty (Gilens 2000; Peffley and Hurwitz 1999). The welfare policy process—from problem definition and issue framing, policy formulation, adoption, implementation, to feedback—thus cycles around patterns of historical disadvantage.

When an issue finds a frame that situates it within the public purview, it may gain attention in a number of ways. Poverty may gain attention in the media and from the public when white males experience widespread unemployment or when a pervasive economic crisis challenges stereotypical representations of poverty.<sup>4</sup> Furthermore, racial isolation and chronic subordination locate poverty outside of the dominant American consciousness in the absence of a focusing event that receives widespread national attention (such as a natural disaster).<sup>5</sup> It is also the case that the episodic framing of poverty has been shown to privatize the scope of welfare conflict; while thematic framing tends to encourage social attributions to the causes of poverty.<sup>6</sup> The process of framing poverty as a particular kind of problem is constructed within the existing policy context, and the current context framing poverty policy is one in which political opportunism and negative, stereotypical representations of people living in poverty limit participation and debate.<sup>7</sup>

The opportunistic and stereotypical framing of poverty in the current context has restricted participation and debate to the extent that neither party is aligned with the preferences of low-income constituents (Rigby and Wright 2013). People living in poverty do not appear to influence social policy, and the interests of people living in poverty are left off the active agenda when they diverge from the interests of those with higher incomes (Rigby and Wright 2013). Among elected officials, black women tend to give the most attention to the issue of poverty, and the ability of politicians concerned with poverty to influence the institutional agenda regulates poverty as a public priority.<sup>8</sup> If poverty reaches the institutional agenda, the race-gendered representation of the policy target affects the options considered. Public attitudes toward welfare are conditioned upon the race and gender of the perceived beneficiaries,<sup>9</sup> and media framing of “welfare queens” shifted public opinion against welfare based on false notions that undeserving women of color were the primary beneficiaries.<sup>10</sup> Women of color are framed as undeserving and deviant, so when attempts to make poverty policy a priority are met with negative race-gendered associations, the issue of poverty is not likely to become a priority.<sup>11</sup> In fact, race and gender have been manipulated to systematically associate public policies with “undeserving” groups in efforts to undermine or dismantle social programs.<sup>12</sup>

The race-gendered nature of welfare discourse also influences policy formulation and design.<sup>13</sup> When poverty moves up the institutional agenda, the potential policy remedies are contingent upon the policy target.<sup>14</sup> Those advantaged by positive social constructions and political power receive welfare benefits that tend to be oversubscribed, often unquestioned, and sometimes even not conceived of as welfare. For example, one man at a political gathering in Simpsonville, South Carolina, in 2009, yelled at Republican representative Robert Inglis, “Keep your government hands off my Medicare!” His misguided statement aptly characterizes the wider Tea Party resistance to perceived “government takeovers” of healthcare and student loans. The political mobilization of these widening demographics are likely to maintain the political power of both the aging and student populations, but the framing of one or the other as greedy or deviant might shift that group to contenders. Contenders in welfare policy have political power but are negatively socially constructed. Dependents, on the other hand, lack political power but are constructed as basically good people. For example, people receiving food stamps tend to lack political power as they are less likely civically engaged; while there is a stigma associated with participation in the program, participants are generally described as in need and not taking advantage. This is increasingly the case as more middle-class educated whites find themselves turning to food assistance during the long Great Recession. Alternatively, those who lack political power and are negatively constructed are regularly set up for punishing policies. Welfare reform built the mechanisms for punishment in poverty governance through the “stick and carrot” approach to behavioral management. People living in poverty who are negatively socially constructed and live in jurisdictions where their political mobilization is a potential threat to the status quo are more likely to be subject to sanctions. For example, states with large populations of people of color tended to opt for second-order devolution to manage people living in poverty at the county or regional level, and racial isolation in these states results in disparate sanctioning of people of color at that level.<sup>15</sup>

Because the wealthy are more likely to have large organizations lobbying on their behalf, they are much more likely to directly participate in the formulation of policy (Winters and Page 2009). While campaign contributions amplify the voice of the wealthy and both parties rely on affluent donors to finance their campaigns, legislative proposals and the analyses that are used to support them are most often produced by organizations controlled by the wealthy. Policy formulation, like all aspects of the policy process, is a fluid and ongoing course of negotiations that take place in multiple intergovernmental venues. Access to those conflict spaces is a fundamental aspect of “who gets what, when, and how.” These negotiations shape the consideration of policy options, the causal framework for potential

policy action, and the venue in which action might be taken. Successful negotiations result in policy adoption.

The formal adoption of a policy necessitates administrative action outlining the implementation structures and procedures. Despite an “inadvertent bipartisanship” characterizing the “national consensus” to reform “the poor” and the bureaucracy, states did not take a systematic approach to the adoption of welfare reform policy choices.<sup>16</sup> States in which blacks made up a larger percentage of the welfare caseload were significantly more likely to adopt more disciplinary program features (Soss, Fording, and Schram 2011a). Numerous studies indicate that state policy choices to restrict benefit levels and eligibility respond to the racial makeup of the caseload, tax revenues, overall caseloads, Republican control of the statehouse, and a more conservative citizenry (see R. Brown 1995; Hero 1998; Howard 1999; Orr 1976; Plotnick and Winters 1985; Soss, Fording, and Schram 2011a; Wright 1976). Additionally, the percentage of black residents and their relative dispersion across the state were a primary factor determining whether or not states adopted second-order devolution. Although devolution may serve conservative, progressive, and/or democratic purposes in general (Freeman and Rogers 2007; Fung 2004), state decisions to localize authority in poverty governance are most likely in states in which there is a larger black population unevenly dispersed in an effort to strengthen social control (Soss, Fording, and Schram 2011a). State choices in the adoption of first or second-order devolution as a governing structure are politically contingent. The adoption of second-order devolution represents a conscious effort by the state to use “flexibilities” to manage the “underclass,” and racial disparities in sanctioning patterns likewise reflect local control over people of color (Soss, Fording, and Schram 2011a). States with higher percentages of racial minorities in the welfare caseload tend to adopt more disciplinary measures and are more likely to adopt second-order devolution (Soss, Fording, and Schram 2011a).

The implementation of public policy is highly responsive to the environment. In other words, poverty governance is an open system (Keiser and Soss 1998) in which portals of influence in implementation come from a variety of actors (Derthick 1990), the political orientations and cultural beliefs of agency personnel and the local community (Khademian 2002), the attitudes and beliefs about poverty held by those responsible for social service provision (Reingold and Liu 2009), organizational norms (March and Olsen 2006; J. Martin 1992; Weick 1995), as well as the “political and task environments” (Meier 1993). The street-level action of implementation imposes poverty governance. The everyday practices of social service providers enact policy, giving meaning to the law and interpreting the values represented in policy. Devolution and privatization were justi-

fied as strategies for making government more flexible, accountable, and responsive, and the findings regarding the implementation of these reforms are mixed. Some find that devolution mobilizes the citizenry and enhances volunteerism (Gonzales-Baker 1993; Marston 1993); while others find that the devolved public-private partnerships tend to lead to staff professionalization that distances volunteers and community ties, particularly as competition among nonprofits increases (Smith and Lipsky 1993). Studies also indicate that local control over implementation increases the influence of community employers and political actors (Katz 1996; Piven and Cloward 1993; Ward 2005).

Policy implementation makes policy through action and is therefore inherently political (Lineberry 1977). Consequently, the use of “sticks” and “carrots” to promote compliance are likely to vary in accordance with the ideological makeup of the region of authority (Ridzi 2009) and client characteristics (Hasenfeld, Ghose, and Larson 2004; Kalil, Seefeldt, and Wang 2002; Keiser, Mueser, and Choi 2004; Koralek 2000; Wu et al. 2006). The implementation of the punitive elements of welfare reform, such as sanctions, are products of governance, and the appropriate level of analysis for understanding patterns of punitiveness in poverty governance is determined by the level of devolution (Soss, Fording, and Schram 2011a). In fact, poverty governance that is most responsive to local control exhibits disciplinary practices that are more punitive in conservative counties, and risk disparities accumulate over time (Soss, Fording, and Schram 2011a). Marital status, age, family size, education level, work experience, and race are the factors that determine who is most likely to be subject to the punitive elements of TANF (Hasenfeld, Ghose, and Larson 2004; Kalil, Seefeldt, and Wang 2002; Koralek 2000; Pavetti, Derr, and Hesketh 2003; Wu et al. 2006). State-level aggregations of national sanctioning patterns also indicate that states with larger nonwhite caseloads sanction more frequently and that state sanction patterns respond to individual-level factors that are often contingent upon the order of devolution (Kim and Fording 2010; Soss, Fording, and Schram 2011a).

Managerial reforms and welfare privatization have substantially changed the implementation of social policy. The successful push to implement Osborne and Gaebler’s (1992) strategies for “reinventing government” through “innovative” consumer-oriented, cross-sector collaborations modified service provision in at least two broad ways: (1) managerial practices replaced the “helping relationships” model of service provision and (2) service provision shifted from government agencies to private for-profit and nonprofit organizations. The “welfare management gold rush” resulting from welfare outsourcing was typically framed in the media as opportunities for profitable investment in social capital and as a cost-saving efficiency

(Brophy-Baermann and Bloeser 2006; A. Cohen 1998; Ehrenreich 1997), but the real story was that billions of dollars in state and local service contracts were transferred to the private sector, primarily to for-profit corporations (Sanger 2003).

The evidence regarding the efficiency, effectiveness, fairness, or accountability of private implementation of welfare is mixed. Where there is adequate capacity and experience in contract management, policy expertise, political savvy, negotiation and mediation skills, oversight capabilities, and effective communication, welfare contracting performs at its peak (Kettl 1993). However, contractors regularly use information asymmetries to advance their own interests in a managerial context focused on performance measures that do not capture service quality and where competitive bidding is rarely the standard (DeParle 2004). Carol Miller (2001) demonstrates that the privatization of disability services resulted in fewer clients served and a decline in effectiveness. A 2006 audit of the privatized child protective services in Florida found increases in the incidence of abuse and a 70% increase in costs (*Tampa Tribune* 2006a). There have also been incidents in which audits reveal cases of fraud by private contractors (see L. Brown and Jacobs 2008; Caputo 2004a, 2004b). Privatization has not been shown to produce cost savings across very many contexts (Vestal 2006), and the limited competition for contracts undermines the assumed competitive market gains (Handler and Hasenfeld 2007). The efficiency, accountability, savings, and performance of welfare privatization depends on competitive pressures from multiple bidders, a situation that is less likely over time as public sector capacity diminishes and the costs of entry and exit become increasingly disparate (AFSCME 2006; Van Slyke 2003).

Research on the use of discretion in the implementation of welfare suggests that federal guidelines inhibit challenges to systemic practices (Lens and Vorsanger 2005; Soss 2000) and focus managerial attention on quantitative metrics to the exclusion of concerns regarding well-being (Brodkin 2006). The formal implementation procedures and informal patterns of practice among welfare service providers efficiently shed caseloads by imposing costs that have a pronounced effect on those vulnerable to information asymmetries and time constraints (Brodkin and Majmundar 2010). “Welfare leavers” are often discouraged from reapplying for welfare despite the temporary and contingent nature of their job market (Handler and Hasenfeld 2007). The exercise of discretion employs procedures that may make resources less accessible to those living in disadvantaged circumstances in which the presence of choice is increasingly limited as disadvantages accumulate (Cherlin, Bogen, Quane, and Burton 2002; Super 2004). In addition, case worker discretion interacts with race and ethnicity in a highly complex manner that varies at the state, local, organizational, and individual level



(Brodkin and Majmundar 2010; Fording, Soss, Schram 2011; Watkins-Hayes 2009). Welfare rights advocates were concerned about the abuse of discretionary power by caseworkers, particularly with respect to the discrimination against minorities in access and utilization. At the same time, there are some estimates that suggest that by 1973 16% of welfare payments were overpayments or payments made to ineligible families (Bane and Ellwood 1994), conflating the notion of the “undeserving other.” Consternation regarding discretion by caseworkers resulting in discrimination and payment errors led to various efforts to limit discretionary power. The Department of Health, Education, and Welfare (HEW) issued an order separating income maintenance from social services. A series of Supreme Court decisions restricted states from enacting their own eligibility rules. The federal government also implemented measures intended to minimize payment errors. The restructuring and oversight by each of the three institutions of government was aimed at gaining compliance with the rules and procedures of the federal program and to compel impartial administration. Consequently, bureaucratization and eligibility determination based on means-testing characterized this state of being in welfare administration.

The organizational cultures and enactment practices of welfare agencies under AFDC were described as “fundamentally flawed” (see Winston et al. 2002) by “permissive” mentalities that failed to teach the “underclass” how to behave (Mead 1992). The concerns at the heart of the controversy about welfare were complex and further complicated by bureaucratic politics. The widespread perception that the vast, impersonal, and cumbersome welfare bureaucracy of AFDC was a failure was met with nuanced stories regarding the appropriate role of government. Scholars such as Teles (1998) and Mead (1992, 1997, 1998) argued that the unpopular federal welfare program hurts people in poverty more than it helps and suggested that government should instill a strong work ethic by leading through traditional social values. These arguments at the center-Right, though different in important ways, met with the fairly sophisticated communitarian notions of social justice from the center-Left, noting that citizenship requires responsibilities as well as rights (see, e.g., Etzioni 1994, 2000; Galston 1991) and producing a story line in which poverty governance supervises the work responsibilities of people living in poverty. Efforts to reform the bureaucracy, to restructure or dismantle the welfare state, the revolutionary turn to the right in American politics, and the globalization of social policy are among the critical political factors that converged in the 1990s when the Clinton administration greatly expanded the number of waivers approved. The welfare policy experiments provided a forum for welfare stories told by researchers, politicians, bureaucrats, business leaders, lobbyists, and the media, but largely absent was the perspective of people living in poverty.<sup>17</sup>

The neoliberal paternalist ideology that dominates welfare case management under TANF replaces social work practices with the business model, reorganizing the casework experience for caseworkers, not just clients (Ridzi 2009). Recasting welfare service provision from the helping professions to production management disciplines agencies, case workers, and clients to the neoliberal logic of behavioral management and performance metrics (Schram, Soss, Houser, and Fording 2009). The emphasis on meeting legal obligations with performance metrics has been shown to distort incentives and create problematic working relationships between providers who need to cooperate to meet client objectives but who are expected to compete to maintain the organizational performance (Schram et al. 2010). One of the most noteworthy findings regarding enactment also indicates a persistent problem in the feedback loop. Poverty alleviation is more difficult where there is a pervasive failure to account for the client's perspective (Dias and Maynard-Moody 2006).

Evaluation is inherent throughout the process. Program evaluation in poverty governance is dominated by performance metrics. The objectives defined in the law and in contracting relationships specify the measurements and determine the outcomes assessed. Researchers, policy analysts, and other "experts" provide feedback that may differ in approach, depending upon whether the assumption is that policy causes politics or that politics cause policy. Yet by and large, performance metrics limit the extent to which learning is possible in the system (see Cohen and Levinthal 1990).

Persistent exclusion of the interests of any group is likely to demobilize and further marginalize that group over time (Schattschneider 1960; Solt 2008). Resources structure political advantages as wealthier people tend to have more information, time, and civic skills, which tends to lead to higher rates of registration, voting, lobbying, and campaign contributions (Verba, Schlozman, and Brady 2006; Winters and Page 2009). In fact, longitudinal evidence indicates that paternalist welfare governance regimes lower the likelihood of voting, political participation, civic participation, and civil engagement (Bruch, Ferree, and Soss 2010). And, empirical investigations of the interplay between economic and political inequality demonstrate strong differences in the responsiveness of policymakers to citizens from different income groups, with heightened attention to the affluent at the expense of lower income groups (Bartels 2008; Druckman and Jacobs 2011; Jacobs and Page 2005; Jacobs and Soss 2010; Rigby and Wright 2011, 2013). The governing mentality of compliance with the neoliberal logic and to paternalist behavioral expectations increases the civic and political marginality of people living in poverty (Soss, Fording, and Schram 2011a). Over time, the contracting relationships generate interdependence between the public agency and the private contractor (Smith and Lipsky 1993). Public and

private agencies develop long-term relationships in which the costs of exit for either party increase over time, producing political regimes that affect the character of service delivery and regulate the welfare contracting market (Smith 2007). The weight of the evidence demonstrates that the pursuit of discipline subjugates women and people of color, limits citizenship to workers/consumers, and pushes people in poverty further to the margins (see Bruch, Ferree, and Soss 2010; Collins and Mayer 2010; Soss 2000; Stone 2008; Soss, Fording, and Schram 2011a; Wacquant 2009; L. White 2002). The escalating political and social marginalization of people living in poverty is likely to produce more degenerative effects as political opportunities rely on expanding categories of deviance (see Schneider and Ingram 1999) and as increasing social and political exclusion continue to decrease the likelihood that the preferences of the marginalized might be considered for the political agenda (Bachrach and Baratz 1962). Consequently, the feedback loop in the system of poverty governance appears to be spiraling toward growing inequalities that may be fueled by some of the practices of poverty governance, and program evaluations dependent on performance metrics are not adequate for learning how these policies and practices compare.

There is a tremendous amount of welfare research testing causal notions that are focused on particular aspects of the policy process. However, there is very little to link the findings in these discrete units to build an understanding of the fluid and diffuse system of poverty governance as it evolves. To date, a systemic framework for understanding the operation of the structures, policies, and evolving practices of poverty governance remains absent from the literature. Outlining the structure of devolution is essential to selecting the appropriate level of analysis and making reasonable comparisons across contexts. Locating the shifting sources of authority is crucial for discerning the elements in the system that may alleviate poverty. This book provides a thorough description of how state poverty governance structures compare and examines the role state policy choices may play in creating opportunities for people living in poverty through welfare programs and enabling legislation that may foster social entrepreneurship. The systemic study of poverty governance centered on poverty alleviation as an organizing principle provides a comprehensive understanding of how anti-poverty policy might be designed to promote self-sufficiency with minimal intervention. The purpose of this proposed framework is to offer a forum for scholars interested in poverty alleviation to build knowledge from various perspectives across the policy process on poverty governance.

The system of poverty governance is inherently political, fluid and diffuse, subject to manipulation, and regularly the target of reform. The set of interrelated concepts in the systemic analysis of poverty governance includes the following:

- the networked, contractual, and interjurisdictional regulatory regime of policies and practices;
- the aggregate impact of policy choices on opportunities to move out of poverty;
- the perspectives and experiences of people living in poverty;
- the organizations enacting social service provision; and
- public consciousness about poverty and welfare.

The system of poverty governance is delimited by the networked, contractual, and interjurisdictional regulatory regime of policies and practices governing welfare in the United States. Policy choices across jurisdictions at multiple levels of analysis generate a considerable degree of variation within the system, but this fluidity maintains the system equilibrium over time. Change tends to be incremental and is framed within the boundaries of inclusion and exclusion that set the system parameters, defined by deeply held beliefs in moral individualism in the United States. Capturing the impact of policy adjustments requires 10 to 12 years of data.<sup>18</sup> This book utilizes 18 years of data to examine the role of state poverty governance structures and policies in fostering opportunities for individuals and private organizations. I show that while there is a tremendous amount of variation deserving of further attention at all levels of the interjurisdictional networks of governance, state structures and policies locate opportunities.

### Theoretical Approach

Theories of impoverishment attempt to explain why people are poor. Broadly speaking, there are three ways to understand poverty: (1) poverty as pathology; (2) poverty as accident; or (3) poverty as structure. Theories of the sources of poverty from these perspectives overlap at times but generally tend to be antagonistic to each other. The belief that behavioral characteristics explain why people living in poverty are poor is a common explanation. The assumption is that people living in poverty have character deficits, psychological or cognitive weaknesses, and motivational inadequacies. People living in poverty are presumed to lack the ability to delay gratification, save money, control their sexuality, and avoid criminal activity. The location of pathology may vary from the individual, family, to the culture. Culture of poverty arguments contend that people living in poverty are trapped in an intergenerational pattern of insecurity, irrationality, marginality, low aspirations, and low expectations. The culture of poverty approach theorizes about an “underclass” characterized by weak community organization, dys-

functional families, political apathy, an incapacity or refusal to participate in legitimate labor markets, disengagement from law enforcement, and a lack of integration in mainstream institutions, such as banks. The policy prescription attempts to address the pathology. Proponents of this view contend that ending poverty requires demanding self-sufficiency, fostering self-motivation, and facilitating self-esteem among people living in poverty. Complicating matters, there are two cultural forces at play that are theorized to fuel poverty: (1) the broader beliefs and attitudes in society about people living in poverty, which perpetuate stereotypes; and (2) the shared outlooks, modes of behavior, traditions, belief systems, worldviews, values, skills, and preferences that emerge from patterns of isolated intragroup interaction that serve to limit access and/or utilization of opportunities. Within this perspective there are two opposing programmatic approaches: (1) some call for investments in social work and therapeutic solutions, and (2) others argue that restricting access to welfare benefits and associated programs that are presumed to make people “dependent” is the only solution. Critics of the notion of poverty as an individual, familial, or cultural pathology point out several limitations. First, there is no valid or reliable definition of character to base such assessments. Second, there is no evidence that people living in poverty are any more or less lazy, pathological, self-destructive, passive, aggressive, psychologically or cognitively deficient, or immoral than any other group. Third, the behaviors of people living in poverty can easily be understood as rational when the context is taken into account. For example, there are a number of rational responses to oppressive conditions that include but are not limited to working in the informal economy when discrimination limits access to legitimate opportunities. States influenced by paternalist beliefs that people living in poverty are pathological or in need of help set up TANF programs in which the government (by proxy) teaches people to save, treats perceived family dysfunction, etc. The extent to which these programs may help people move out of poverty are likely to be conditioned upon race, gender, and the level of analysis.

Explanations of poverty as an accident claim that poverty results from temporary weakness in the economy and not necessarily the result of pathological behavior. When economic growth slows, employees are laid off. The weak demand for labor makes people vulnerable to impoverishment based on their location in the market. Poverty is believed to be temporary, so short-term relief is the policy prescription proposed by this perspective. Unemployment insurance, job training, and public programs are strategies proponents contend are necessary to get people through when the economy is not providing enough jobs. However, political support for programs that might benefit people living in poverty is difficult to maintain. Yet, some critics of the theory of poverty as an accident contend that short-term relief

is inadequate because the temporary natures of the programs and policies do not aim to eliminate poverty. On the other hand, proponents of the poverty as pathology view criticize even short-term relief for generating “dependency” among people living in poverty. Some scholars also point out that accidents that happen repeatedly may be patterned elsewhere in the market. This critique takes on distinct flavors. Those who focus on structural or institutional sources note that discrimination or patterned preferences make some people repeatedly (and perhaps increasingly) vulnerable to poverty, which might make an instance of poverty potentially accidental but not patterns of impoverishment. Culture of poverty proponents argue that these patterns are evidence of pathology. In any case, welfare reform made relief temporary, but the extent to which states limited access to relief under welfare reform reflects the belief that pathology should be addressed in state policy.

The theory that poverty is a function of the structure of the U.S. capitalist system contends that uneven and unreliable labor demand are fundamental aspects of capitalism. Essentially, the claim is that capitalist exploitation requires cheap labor for wealth accumulation. Proponents of this perspective point to the weakened industrial structure in the United States and the rise of business class political power that undermined labor protections and put downward pressure on wages. Policy prescriptions from this perspective call on government to enhance political engagement and economic integration. Structural theorists strategize cross-class collaborative policy designed to benefit workers and the unemployed, not just the wealthy. Strategies addressing the structural components of poverty also include creating government jobs for the unemployed. From this perspective, government intervention to facilitate a living wage is justified. Opponents attack the structural view of poverty from the left and the right. The modern version of laissez-faire doctrine that has dominated American thought on political economy since the 1970s makes structural claims highly controversial. The hope that the uninhibited and unregulated economic power to leverage wealth will eventually be the “tide raises all ships” has become a taken-for-granted notion. Yet despite this opposition, strategies addressing the structural factors causing poverty are also evident in poverty governance.

The award-winning book *Separate Societies*, by William W. Goldsmith and Edward J. Blakely (2013) describes how each of these theories of impoverishment was capitalized on by various political forces during global economic restructuring, dividing and isolating people living in poverty. They demonstrate that race, gender, and class divisions separate assets and opportunities, locating assets and opportunities among the privileged and isolating people living in poverty in underemployed communities with depleted public services. The evidence they provide shows that poverty policies contribute

to contemporary trends in growing inequalities rather than combating poverty. Jacob Hacker (2006) argues that corporate and political leaders could have responded to dramatic economic shifts by enhancing safety nets, but the “personal responsibility” crusade and “ownership society” ideal instead produced a society of empowered owners and shifted risk to the rest. He shows that the increasing economic insecurity resulting from policy choices that subsidize “mini-welfare states” in the private sector are spreading risk beyond the isolated “poor and uneducated” to “educated, upper-middle-class Americans” as public and private insulation from economic shifts erode.

#### POVERTY GOVERNANCE ACCORDING TO NEOLIBERAL PATERNALISM

The neoliberal economic theory of welfare supposes the welfare function is an aggregation of individual utility maximization. The primary contentions are that market rules, free trade, and private property rights govern and that public policy should contribute to conditions that enhance exchange. Market dynamics are presumed to enhance individual liberty, where individual liberty is defined as the unfettered pursuit of self-interest and the freedom from external coercion. Neoliberalism within the political rhetoric of “Reaganomics” or supply-side economics has dominated American political discourse and finds appeal among liberals and conservatives.

The progressive storyline about welfare devolution and privatization was that opportunities for integrating people living in poverty into economic and social systems are maximized by the “flexibilities” of devolution and the “choices” in market logic. The conservative storyline was that devolution afforded states greater flexibility in regulating people living in poverty so that institutional stability was not compromised. These intertwined storylines characterize the neoliberal paternalist logic of poverty governance that structures the implementation of welfare, and the paternalist stories of social order typify the enactment of welfare service provision. Although the dominance of neoliberal paternalism attempts to present this perspective as the only legitimate story of poverty governance, the evolving welfare story presented here allows for an understanding of poverty governance as a system in which there are numerous opportunities for improvement that can be identified with adequate perspective. Every story has a moral, and the moral of this story is that poverty alleviation is a worthwhile goal. The evidence in this study shows that circumstances in which the system of poverty governance is focused on regulation over poverty alleviation contribute to greater impoverishment overall. A systemic framework is essential because the level of analysis is highly variable and critically important in poverty governance.

Neoliberal poverty governance colored by the theme of moral individualism produces a welfare story that increasingly subjugates people living

in poverty to narrowly defined market forces. The states of consciousness regarding welfare are increasingly influenced by private for-profit and non-profit organizations responsible for social service provision. This welfare privatization refers to three distinct mechanisms diffusing the government monopoly on services. First, vouchers are a common form of privatization utilized in many welfare programs for choices among training providers, methods of paying vendors in lieu of providing cash assistance to participants, and assistance with education at two- or four-year colleges that partner with the state for certain job categories or professions that are in demand in the state. Second, the welfare transfers to the private sector are many and varied. Benefits like the Work Opportunity Tax Credit (WOTC) to subsidize hiring and the utilization of workforce development boards/commissions in some states to oversee the efficient regulation of the state's labor force are a few examples. Third, contracting out is an option that states have for all aspects of service provision. Welfare privatization also refers to the increasing privatization of the conflict space.

The new institutional arrangements of poverty governance serve critical regulating functions at multiple levels of authority throughout the devolved and increasingly privatized system. The structure and practices of these new institutional arrangements of poverty governance may generate opportunities or enforce the status quo. Perspective on the system of poverty governance and the outline of the component parts allows for further examination of how differences in the structures and practices of poverty governance may inform antipoverty policy. Poverty alleviation requires that current realities about poverty are known and realistic objectives and approaches to reducing poverty must be identified. This book presents the aggregate reality of people living in poverty<sup>19</sup> based on 18 years of evidence across U.S. states and outlines the components of devolution and privatization so that the structures and practices that reduce poverty can be identified.

The regulating functions of poverty governance are based on two basic goals of social welfare that may not necessarily be mutually exclusive. They are poverty reduction and social control, and these goals may also be considered in terms of the target of policy. In general, the progressive perspective on social welfare includes the following themes: (1) humanitarianism, or an assumption that human nature is more or less beneficent; (2) a faith in progress through learning, or a belief that knowledge is incremental and can be cumulative; and (3) a commitment to social citizenship. The themes of the social control perspective on social welfare include the following: (1) the notion that social welfare policy represents one of many mechanisms by which the state supports the ruling class; (2) an inherent paradox in the implementation of social policy through professionalized, hierarchical "help-



ing relationships”; (3) the control of deviance or incentives to conform; and (4) the contention that public relief functions serve to regulate the labor force. The tensions along these dimensions drive the evolution of the welfare story. Reform rhetoric acts as the catalyst for changing the substance of the welfare story by affecting the framing of administrative action, and restructuring is the impetus for enacting the new storyline. The system of poverty governance that exists currently is a function of the negotiated tensions along each of these dimensions over time.

Who or what is to blame for poverty and the perspective on social welfare determine the assumptions underlying policy. These assumptions affect the extent to which policy achieves its objectives (Stone 2002). Storytellers often call upon different explanations of poverty to lay claim to control over the people and/or conditions defined as impoverished. Consequently, welfare policy is often in a state of flux as the boundaries of inclusion and exclusion are negotiated and influence over the story and its meaning is contested. Judeo-Christian traditions dominated the story of the welfare state in the United States. The legacy of the tensions negotiated from those particular sets of assumptions produced an enduring theme as it interacted with American pluralist ideals.

The theme of moral individualism justified the evolution of devolution. Devolution refers to the process by which the power to design social policy within federal guidelines and the authority to manage social service provision has been transferred to subnational units of government. Managerial reforms associated with the implementation of devolution diffused social policy across dense networks of contracting relationships among the public, private, and nonprofit sectors. This evolution of the welfare story followed from negotiated storylines based on different assumptions about maximizing liberty for whom, to do what, that are shaded by the theme of moral individualism. Progressives arguing that humanitarian progress is possible through the economic liberty of individuals held a common point of agreement with conservatives capitalizing on behavioral economics to manipulate the choice architecture for labor regulation. While the different sides, perhaps, had different goals in mind, the shared assumption that individuals making “moral” choices can move up and out of poverty was a common theme. The progressive storyline was that devolution presented more opportunities for states within the federalist system to integrate people living in poverty into economic and social systems. The conservative storyline was that devolution afforded states greater flexibility in regulating people living in poverty so that institutional stability is not compromised. These storylines intertwined to make up the neoliberal paternalist perspective that characterizes poverty governance. The neoliberal logic of governance structures

the implementation of welfare. The paternalist approaches to social order characterize the enactment of welfare service provision. And, neoliberal paternalism is the only perspective considered legitimate in stories of poverty governance. This book attempts to challenge the notion that neoliberal poverty governance is the only valid perspective on poverty and presents a framework for analyzing the realities of poverty governance.

The regulation of choice for maintaining the status quo or fostering incremental change was implemented through administrative reforms that favored stories of private sector superiority. This meant that those with a faith in progress through learning had something in common with those who argued for conformity. The standardization of performance metrics utilized the administrative hierarchy to shift the “helping relationships” of social work to the management of progress or conformity to economic or social objectives defined by the state within federal guidelines.

This neoliberal paternalist welfare regime is made up of contracting networks, intergovernmental grants, public and private sector loans and loan guarantees, and intricate interjurisdictional policies and practices that characterize the institutional mechanisms of poverty governance. The contracting relationships and enactment practices make up the informal processes of poverty governance. The conceptions of citizenship regulated through poverty governance reflect the points of agreement between neoliberals and paternalists who championed the rhetoric that employment is the only form of responsible citizenship. The current exercise of poverty governance in the United States employs the muscle of welfare regimes across jurisdictions to reduce caseloads, increase work rates, transfer commitments from public assistance to private services, and enforce the values of neoliberal paternalism through New Public Management (NPM) reforms.

#### SOCIAL CONSTRUCTIONS IN WELFARE REFORM

Paternalist strategies for “managing the poor” and neoliberal market rationality converged to construct a system of poverty governance designed to discipline political and economic participation according to social status managed by employment. The race, gender, and class biases that plague “operational definitions of citizenship” defined by paternalists as well as neoliberal market logic are a function of the history of policy targets and are perpetuated by implicit associations regarding social status and subsequent distribution of political power. The current realm of possibility in the United States is characterized by societal problems and policy responses that have become increasingly complex; where public officials have not enlightened citizens regarding policy alternatives nor facilitated discourse to increase understanding. Anne Schneider and Helen Ingram (2005) consider this con-

text in terms of the social construction of target populations. They present a typology of targets characterized by their political power and social constructions. They describe four types of groups that might be targets of policy:

1. The *advantaged* have considerable political power, are positively constructed as meritorious and deserving, and are oversubscribed benefits.
2. The *contenders* are politically powerful but constructed as undeserving or greedy.
3. The *dependents* lack political power but are constructed as good people, although not as meritorious as those who are advantaged.
4. The *deviants* lack political power and are negatively constructed. The strong electoral incentives to punish deviants contribute to policies toward deviants becoming oversubscribed and constant searching for new targets that can be constructed as deviants for the electoral gain of politicians.

The targets of welfare policy have changed with the various states of welfare politics. In the colonial period through the western settlements, positive constructions of European Christians as hardworking, God-fearing people deserving of the blessings of freedom, contrasted by the negative constructions of the “other” as savages requiring control for their own good, served to justify the policies that endowed white, male property owners with the rights of individuals. Welfare benefits were assigned to the privileged as wealth was redistributed primarily to white males through the system of property rights in the United States. The expansion of participation through charitable endeavors, electoral politics, and protest movements continues to generate increasing complexities in the welfare conflict. The makeup of the advantaged, contenders, dependents, and deviants shifts as the stories of merit redefine the boundaries of the issue. Opportunities to represent the broad interests and diverse values in policy diminish as political incentives to increasingly target more deviants and redistribute wealth to the advantaged are exploited for individual gain.

The realm of possibility may be manipulated by exceptional storytellers. Stories that manipulate the dimensions of the debate for individual gain are opportunistic and are likely to be degenerative. Welfare stories that enhance organizing principles have the greatest likelihood of expanding the realm of possibility. Organizing principles are ways to solve independence

and uncertainty problems by creating a logical approach to coordinating work and gathering, disseminating, and processing information. Organizing principles are enhanced when the stories that foster a willingness to accept vulnerability based on positive expectations about another's intentions or behaviors are widely considered plausible. When trust is widespread, decision making is considered more efficient. Widespread trust facilitates the acquisition and interpretation of information that guides action. Behavior patterns that maintain the viability of the trust in relationships are based on the expectation that vulnerability is not likely to be exploited. The plausibility of a story about poverty that enhances trust operates through two primary causal pathways: (1) by structuring the way activities are organized and coordinated, thereby shaping the relatively stable and enduring interaction patterns, and (2) by mobilizing action based on a logical reason to believe that combining and coordinating resources to collective endeavors will be worthwhile.<sup>20</sup>

The pervasiveness and efficacy of trust as an organizing principle requires that the actual and perceived intentions, motives, and competencies of the trustee are consistent more often than not. Trust in a degenerative context would be simply naive because trust is not sustainable without trustworthiness. The speed and degree of alignment between trust and trustworthiness affect how well trust may operate as an organizing principle (McEvily, Perrone, and Zaheer 2003). Increasing the alignment between trust and trustworthiness requires credibility, or the power to inspire belief. The extraordinary storyteller who might expand the realm of possibility must credibly align trust and trustworthiness in the story by resisting opportunism, demonstrating competence, and exhibiting trustworthiness; all of which require goodwill.

Current constructions of the state of welfare in the United States capitalize on perceptions of an "undeserving underclass" that amplify inequality and undermine trust. The degenerative nature of American political discourse on welfare produces policies that tend to increase social distance and undermine the trust promoted in democratic regimes in which opportunism is minimized (Brehm and Rahn 1997). There are innumerable stories perpetuating stereotypes of people living in poverty, but few perspectives examine the circumstances of poverty. Policies that attempt behavioral modification in a degenerative context are likely to affect behavior in ways that benefit those with advantages. Understanding the extent to which those policies may benefit people living in poverty by providing opportunities to move out of poverty is essential to determining the efficacy of welfare reforms as antipoverty measures and reveals a great deal about whether or not trust in welfare privatization is well placed.