TRENDS IN POLICY MAKING AND IMPLEMENTATION IN THE WELFARE STATE:
A PRELIMINARY STATEMENT

Mayer N. Zald
University of Michigan
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Copies available through:
Center for Research on Social Organization
University of Michigan
330 Packard Street
Ann Arbor, Michigan 48109
One of the central accompaniments of industrialization and modernization has been the growth of the welfare state. Governmental provision of care for the dependent and neglected, for the unemployed, for the aged increases as the economic capacity of nations grows. Although the United States is widely perceived as a welfare state "laggard," it is clear that it too has developed many of the programs for support and service that we identify with the modern welfare state (Wilensky, 1975). The adoption of the programs and policies of the welfare state varies between nations in their timing, their administrative mechanisms, and the decision structures and processes. Moreover, these processes change over time, so that actors or groups that were once quite important in formulating welfare policy may have been displaced or eliminated from involvement.

It is very clear that the decade of the sixties led to the enactment of several policies and programs which provided greater income and services to the poor and elderly. Such programs as Medicare and Medicaid, the expansion of the food stamps program, the increased federal component of AFDC, were part of an expanded commitment to the welfare state. What has been less clear and less commented upon has been the changes in the modes of making decisions and administering the welfare state. The purpose of this essay is to begin to address two questions: Have there been important changes in the way we control and administer welfare policies? Have there been important changes in the structure of policy making such that the performance of the welfare state is affected?

Answering these questions is part of my ongoing attempt to understand likely directions for the future of the welfare state (Zald, 1977). Obviously they are difficult questions, and we need some guidance before even
beginning to think about them.

Independent of my efforts to understand the future of the welfare state, I have been developing a theoretical framework and a program of research for understand the social control of industries. Drawing upon concepts and research from several disciplines (economics, law, political science, psychology, and sociology), the framework guides our thinking about how "society" sets norms for and attempts to control the performance of industries, groups of organizations, whether profit or non-profit, offering similar services and products to the society. The framework will be used here to guide our thinking about trends in the control and administration of welfare policy and output. After briefly sketching the framework, I will offer a number of inter-related propositions about those trends.

On the Social Control of Industries

One aspect of modern society relatively ignored by sociologists has been its attempt to cope, through administrative and organizational mechanisms, with the negative effects of technological change and the social problems of industry and organization. Sociologists have documented the rate of change and the fallout for individuals and communities, but we have left to political scientists and economists the study of the public and private governance of industry. Thus we have largely ignored the successful implementation of what Marx called "A Modest Magna Carta," the whole achievement of the rights of workers at the work place (but see Friedman and Ladinsky, 1967; and more recently Ratner, 1977). We have ignored the smooth operation of our regulatory mechanisms which, for example, have led to a virtual absence of explosions of pressure boilers in commercial and group establishments, or, miracle of miracles, the regulatory process by which radio stations are allocated channels in a way to serve the public's interest in having clear reception. In recent years, Zald and his collaborators have conducted a number of studies designed to explore this process. The framework has been spelled out in some detail in a recent article (Zald, 1978). Here, only a paragraph on each of the major elements can be given.

The components of analysis follow directly from a conception of social control and of industry and from a sociological perspective on the interaction of units in a social system. By definition, social control involves expectations of behavior or performance (i.e. standards of behavior, rules of conduct, expectations of output) and the surveillance (evaluation) and sanction of deviation. Since, in the first instance, we are interested in the social control of industries, not individual organizations, we need a concept that describes industry performance; this is provided by the idea of a performance curve. Surveillance and sanction are conducted and imposed by differentiated units of the society, control agents. How control agents are mandated and operate and how they are controlled by other elements of the social system is treated in the sociology of control agents. If there were only one control agent for an industry for all standards of behavior, we could eliminate analysis of the structural context of control (the organization of the control environment), but since there may be several control agents with overlapping jurisdictions, the organization of the control environment must be considered.

Finally, since a social system view implies interaction and feedback loops, we introduce the concept of compliance readiness and capacity. The target elements of the industry may have varying degrees of readiness to comply or not comply with the normative standards and varying capabilities to comply or resist the imposition of standards. They are not inert recipients of control attempts.
The core of the analysis consists of an explication of five interrelated conceptual clusters:

Structural context refers to the organization of the control agents. Some institutions exist in hierarchical contexts, others in polyarchic ones, and still others in market contexts, with coercive law at the boundary. The structural context shapes and limits the range of performance. Contexts can be described in terms of the number of control agents, the degree of their coordination and consensus, and their sanctions. In the welfare arena, as in many policy areas, a major issue is the balance between federal, state, and local agents in the determination of policy. Moreover, "societies" may choose to change contexts: for example, by choosing to utilize market or hierarchical mechanisms.

Norms and performance curves. The organizations that comprise an institution, an industry, vary in their performance on evaluative dimensions. The underlying norms vary in their clarity, their technical visibility, and the consensus about their importance among audiences and control agents. The shape of the performance curve is dependent upon both the clarity and precision of norms, and the strength of demand and sanctions for different levels of performance. Different control processes take place at upper and lower segments of the performance curve. In the welfare area, a concern with norms and performance curves leads us to ask how has the amount and variance of welfare provision changed? How are leaders and laggards in the provision of service rewarded or punished?

Control agents must interpret mandates from their controller and set operational norms, survey institutions for malperformance, and apply sanctions (incentives) to gain compliance. The multiple functions of control agents and their limited resources means that control agents may have to come to terms with their organizational limits. Moreover, there may be competitive and indeed contradictory norms enforced by different control agents. Further, the division of labor amongst control agents may make one agent dependent upon another whose goals and imperatives are not supportive.

The surveillance capacity of control agents is partly based upon the extent to which performance can be measured and is permanent in its effect. Sanctions and incentives depend upon the intensity of the norms and the legitimacy and channels for gaining an authoritative position in the control process. Here we are concerned with identifying new control agents in the welfare arena such as courts and client advocacy groups.

Compliance readiness (or capability) is an important dimension in social control studies because compliance is easily gained where the difference between the control agent and the target object is small. Compliance readiness, a term adapted from studies of the impact of judicial decisions, varies along two dimensions — ideological readiness and organizational or economic capability. Compliance readiness deals with the organizational resistance and capabilities for implementing policies and programs. It should be apparent that welfare organizations, such as mental hospitals, correctional systems, or public assistance, may vary greatly in their capacity or readiness to change. The basic elements of the framework are diagrammed in Figure 1.

Before we proceed, several prefatory comments are in order. First, in this social system framework, a sharp distinction is not made between policy making and policy implementation. New policy problems emerge from old policy implementation. Many of the same actors are involved, though to different degrees. Implementors have to interpret mandates, and the industries being controlled attempt to shape the policies which the implementors interpret. Second, the emphasis on social control and on norms does not assume a societal consensus about norms and the legitimacy of power holders. We would argue that
norms are emergent and that total consensus between controllers and controlled over what the standards are or should be is rarely achieved. We would also argue that some of the major problematics in the relation between control agents and target elements are found in conflicts over what should be the norms, the standards of behavior, and over the legitimacy of control agents attempting to enforce norms. Third, the idea of a performance curve can be used to cover compliance with a policy by bureaucratic agents or the actual impact of a policy upon social reality. It is important to be specific in discussions of performance about what is being assessed. Finally, unlike a conventional analysis which focuses on the logical sequence of policy-implementation-feedback as managed by designated organizational actors, this approach focuses on broader systemic processes which cut across the conventional units used in policy analysis and organizational assessment.

Basic Trends and their Implications

The basic trends we discuss concern changes in which organs of society set norms for welfare policies, how new control agents have established their jurisdictions over areas of industry behavior which were previously immune to them, how formerly powerless groups have become able to aggregate resources to become control agents, and how all of these may have influenced the performance of the welfare state. In particular we are concerned with the federalization of welfare policy, the growing intrusion of the courts into substantive issues in the state delivery of welfare, the rise of a politics of advocacy, and changing dilemmas in the administration of welfare.

The Federalization of Welfare Policy

One of the clearest trends of the last half century has been the federalization of welfare policy. This trend has led, we assert, to a decline in the variance between states in the access and provision of services and money to populations in need. Less clearly, it has also led to a decline in the variance of impoverishment and utilization rates between states. Skolnik and Dales (1976) have presented data on both the increasing size of the welfare state and on the composition of state, local, and federal expenditures for welfare. Between 1950 and 1975, total federal, state, and local expenditures for public welfare items increased 485 percent in constant dollars. Education expenditures increased 299 percent, while the core welfare areas of social insurance and public aid increased 744 percent and 451 percent respectively. More important for our thesis is the change in the composition of expenditures. In 1950, 43 percent of social insurance was provided through the federal fisc; by 1975 the figure was 80 percent. In 1950, 44 percent of public assistance came through the federal government; by 1975, 66 percent came through this source. Similar dramatic growths and shifts would be found for education and medical care. Even though education remains largely a state and local function in the American scheme of things, the growth of federal funding has had an enormous impact upon American schools. Indeed, as Orfield (1969) has shown, the availability of federal funds for secondary and elementary schools accomplished what court orders by themselves could not: the desegregation of southern schools.

The federalization of social welfare policy reduces the variance between states in the provision of services to the poor and dependent through two different mechanisms. First, where federal law subsidizes specific programs which continue to be administered by the states, the federal government also establishes minimum standards and criteria for the operation of specific programs. Thus, for instance, although unemployment compensation programs are administered by state agencies, they are webbed by federal law. Similar funding-administration arrangements hold for Medicaid and AFDC, though not for OASDI. In most cases the establishment of minimum criteria decreases the
variance between states. Second, where programs are completely administered by the federal government, no state variance may remain.

Although federalization reduces the variance in the provision of services and money between the states, it may have less effect in reducing the variance in amounts of poverty between states. First, many federal social welfare programs are not sharply targeted on the poor. For instance, AFDC is more sharply targeted than is OASDI or unemployment compensation (see Appendix A in Plotnick and Skidmore, 1975, for a detailed comparison of programs). Thus programs with low focus may not affect poverty very much. Second, and more important for our argument here, the welfare programs in toto may have little impact upon regional and state variations in unemployment and poverty. If, for instance, one state has very little structural unemployment and has a high wage level, and another state has very high structural unemployment and a low wage level, the latter will obviously have a higher level of poverty. Only if welfare programs had very wide coverage over the range of impoverishment conditions, or were designed to impact heavily on high poverty-high unemployment areas, would welfare programs significantly reduce the variance in poverty caused by regional differences in economic opportunity.

The claims made for the consequences of federalization rest upon two underlying processes. First, as has become the common sense of political wisdom, because groups that are minorities in their own communities are able to yield a more effective presence at the national level, federal policy is more oriented towards the poor and minorities than are state and local policy. Both as critical blocks and as effective lobbyists, the poor and minorities have been able to make more of an impact at the federal level. Thus, minimum standards are more likely to be raised at the federal level than at the state level. Second, bureaucratic and legislative imperatives lead the federal government to develop more procedural consistency, requiring people in similar situations around the country to be treated in similar ways. Without eliminating all of the variance between states, the press is to the homogenization of benefits. Where complete federalization takes place, there is great pressure to treat people in similar situations alike. Where partial federalization takes place, through the use of federal subsidies and regulations, some state variation is allowed, even encouraged (since the federal government does not wish to substitute for state effort in these cases), yet the overall effect will be the narrowing of standards between states.

Federalization and the Private Sector

The growing presence of the state in the provision of welfare support has also had a large impact upon the provision of service by organizations not owned or controlled by government, both profit making and non-profit alike. First, the existence of welfare payment policies provides opportunities for new agencies to come into existence. For instance, the growth of nursing homes and community mental health centers are largely a response to new sources of federal funding. Second, nursing homes, hospitals, family and children's services, and other providers find that they rely upon either direct grants from government agencies or upon third party payments that are state-like in their imposition of reporting requirements and the criteria that are imposed for access, professional standards, accreditation and licensing of personnel, and the like. As agencies become more dependent upon public monies or upon third party payments, they increasingly dance to the tune of the public piper. On the one hand, public monies represent opportunities to agencies existing in starved and insecure niches. Thus, the existence of monies for new programs that the agency sees as fitting with their broad mandate presents a siren call. On the other hand, becoming enmeshed in that web requires the agency to accept the reporting criteria and the planning and evaluation requirements of the funding agencies.
This process may be just the latest step in the external rationalization of welfare agencies. Where community benefactors and groups might casually support and guide an agency or hospital in the early part of the century, the growth of collective fund-raising agencies and community health and welfare councils began to bring organizations under external scrutiny. But I would hypothesize that the reporting and accountability criterion of these local councils did not require extensive reporting, evaluation, or planning. Although the growth of federal and third party reporting and evaluation mechanisms may be artificial and relatively unrelated to quality of service and performance outcomes, nevertheless, agency staff and executives have to dance to its tune.

The term "federalization" covers a multitude of administrative arrangements. It may mean take-over, the transfer of state functions to federal agencies and the abolition of the state administrative apparatus. It may mean federal subsidization of specific programs, with federal guidelines, technical assistance, and programmatic control. It may mean general revenue sharing, with only the loosest control. In recent years, there has been little impetus to expand the federal government’s role in directly providing services. Where organizations must provide services to clients, the tendency is to establish agencies under state, local, or even private auspices, and to find a federal reimbursement formula for funding them. Nevertheless, a dilemma of control remains. In a loose sense, it can be characterized as a choice between central determination of policy and the growth of a tangle of bureaucracy to ensure compliance, or local control of policy and the substitution of local definitions of need and choice. The more federal programs define categories of recipients and purposes of programs and funds, the larger the federal presence. But the alternative is federal subsidy without federal accountability.

So far we have discussed the massive federalization of welfare that has occurred over the last half-century. The operation of welfare programs has also been affected in recent years by the politics of rights, the process by which legislatures and federal courts interpret constitutional mandates.

Due Process, the Politics of Rights, and Welfare

There are three major aspects of the intervention of courts and legislatures into the operations of welfare agencies. Although they are not completely separable, they can be discussed under the headings of non-discrimination, or the protection of minority rights, due process, and substantive standards. All three involve the interpretation of constitutional and juridical norms and their imposition on public and private agencies; all three involve the penetration of legality deep into the operation of bureaucracies.

Legal norms aimed at eliminating the use of sex, race, and age as criteria for the allocation of benefits and positions have led to major modifications of institutional functioning. In some areas, these norms have thrown out long-established policies related to social welfare. For instance, the automatic assignment of children to their mothers when divorce occurs is widely under attack; the assumption that fathers pay for the support of children and that mothers who leave them do not is now under attack. The use of sex and fixed age provisions in the making of retirement decisions and the assignment of pension benefits is widely under attack. The discrimination against minorities in the allocation of welfare benefits has been effectively eliminated under the fourteenth amendment.

Due process norms have been imposed upon the operation of public educational, welfare, and health organizations. The maintenance of order within schools, the application of discipline, and the removal of students from schools have been subject to legislative and judicial mandates. Some states
now require consultation with parents before students can be removed from classrooms or disciplined. Appeal procedures are also mandated wherever welfare agencies control significant entitlements. As a general principle, whenever an organization’s decision would deny significant entitlements, due process requirements lead organizations to develop formal procedures of representation and appeal. Moreover, agencies cannot without strong justification provide different types of service for different kinds of clients. For instance, federal law now mandates the mixing of students with disabilities with non-handicapped students, unless mixing would impose too great a hardship or educational disadvantage on the disabled student.

Due process and substantive issues may become intertwined. Thus the federal courts have imposed procedural constraints upon the use of involuntary admissions procedures to institutions for the retarded or mentally ill. They have also required public facilities offering services to these groups to meet minimal standards of humane care and professional treatment.

Changes in due process procedures may cause problems of morale and administrative confusion in the agencies upon which they are imposed, but I believe they rarely lead to large expenditure shifts. On the other hand, court-imposed substantive changes in the functioning of institutions may require massive changes in operating procedures and in budgets. Substantive change involves both the quality and quantity of personnel and facilities allocated to a function. In such cases the ability of state and local governments to allocate funds may be challenged; the priorities developed by elected officials or administrative agents are superseded by court-imposed requirements. Two examples: busing orders lead to an enlarged expenditure of funds for buses and drivers; and substantial changes in mental hospitals require larger numbers of professional and non-professional staff. In this sense, the growth of a politics of rights leads to a decline in the power of local officials, just as has the federalization of welfare policy.

Although the recent trends lead one to expect a continuation of the imposition of legal standards on administrative action, one ought to note counter trends. Where the courts have become overwhelmed by the problem of deep intervention in agencies, they may retreat to less draconian sanctions. Similarly, where class action suits were used to carry out the politics of rights, the courts may also deny the legitimacy of court action. Politics intersects with caseloads, and the courts have been backing away from their easy access policy of a decade ago. But recent retrenchments in the use of courts should not be seen as the end of the story. In our society, the courts and the constitution are a major source of control and allocation of the rights of the poor and dispossessed. Given our constitutional structure, they are venues for strategies of change.

Representation of the Dispossessed

To be used as venues for change, courts must have plaintiffs. Judges, as control agents, are activated by claimants of wrong. The dependent and dispossessed typically do not have the resources or capacities to press their own claims. The politics of rights is made possible or facilitated by the growth of organizations and groups devoted to the advocacy of the rights of the dispossessed. The decades of the 1960s and 70s have seen a marked upsurge in the number of such groups. Sometimes drawing upon people closely linked to the group at risk (e.g. parents of retarded children, divorced fathers, homosexuals), at other times drawing upon individuals and organizations with less clear "interests" (e.g. public interest law firms, professional social welfare workers), these organizations take as their mandate the use of the courts, the media, and the legislature to raise the quality and quantity of goods and services allocated to their client populations.
Even if the courts back off from allowing class action intervention in the delivery of welfare services, there is no way that legislative and administrative bodies can avoid the attention and demands made by such groups. Indeed recent trends opening up government to public input at both the legislative and administrative level guarantee some access to interested parties. The democratization of access turns out to be a guarantee of pressure group access. Of course, groups will vary in their effectiveness and viability. The key ingredient becomes the ability of groups to sustain themselves in the hard slog of winning concessions with few visible and dramatic rewards.

Because the clients of social welfare programs have typically been weak, dispossessed, and invisible, welfare politics in America have had an ambivalent and cyclical character. Between periods of great reform, institutions and programs become invisible -- out of sight, out of mind. At the same time, altruistic reformers and philanthropists might attempt to keep the light burning with little support. The growth of a politics of advocacy, if it is sustained, might keep some programs and institutions under more continuous scrutiny.

Control and Compliance

The trends discussed to this point suggest a decline in the influence of state and local legislative actors and an increase in the power of the courts and of federal legislators and administrators. Moreover, the line organizations delivering services and money are subject to a wider variety of interventions, and their practices and procedures are more visible to the outside. Nevertheless, substantial problems of compliance remain. Visibility and subsidization do not guarantee bureaucratic readiness or capability of compliance with the spirit and intent of client-serving norms. We can conceptualize two somewhat different dimensions of compliance readiness: ideological agreement or disagreement, and organizational capability or incapability. The former refers to the agreement of organizational elites and staff with the goals of welfare policy. The second refers to their capacity to implement the policy, regardless of their agreement with them. As a general proposition, the more a policy depends upon depth penetration of bureaucratic procedures, the less likely it is to be easily implemented. It is easy to change the amount of a welfare check (assuming that money is in the bank): only the computer formula must be changed. It is difficult to change the attitude and style of classroom teachers, of case workers, or of ward attendants. To the extent that welfare organizations have multiple goals, have imprecise technologies, are dependent upon staff attitudes and values, and have decoupled procedures, we would expect changes in welfare programs and policies to be slow to be implemented, or to be distorted if they are.

Moreover, where there is variance between agencies in their ideological and capability readiness, the introduction of new policies subsidizing or encouraging change may increase the variance in performance between agencies and the states in which they exist. Thus, for instance, an offer to subsidize some aspects of welfare programs may be quickly taken up by those agencies or states that already agree with the program or that have the capacity to respond to the offer, while those opposed to the policy or without capacity to respond lag even further behind.

A small school system or inadequately staffed mental health department may not have the personnel to respond to federal government program guidelines for requesting support; nor may they be prepared to meet the reporting requirements that accompany funding. Similarly, if elites are opposed to the intent of a program subsidy, they will not apply for funds where their more agreeable compatriots will apply, thus increasing the variance between programs.
The Nation State and the Welfare State

The welfare state is one part of the modernization of the nation state throughout the world. The last two hundred years have seen a great interconnected revolution -- the industrial revolution which has massively increased the economic well-being of the populace, the enormous increase in the power of the state to collect taxes and to control and allocate benefits, and the interdependence of nations in the world economy. On the long view, we would expect the state to continue to grow, the economy to expand, and interdependence to lead to new mechanisms of smoothing and inter-connecting the flows of resources between nations. If that pan-glossian projection is made, then the malaise of the seventies will turn out to be but a minor setback in a worldwide expansion of the welfare state. The service sector will continue to grow, a larger percent of GNP will be allocated to the welfare and dependency needs of the population, and concerns with accountability and effectiveness which dominate the welfare scene in the late 70s will be seen as momentary penny-pinching in a long-range process of public beneficence.

But there are other scenarios. The percentage of our population over 65 will continue to grow for the next 50 years, and a greater percentage of our income will be devoted to social security and medical care. It is not clear that economic growth in the United States will return to the levels of the 50s and 60s. It is not clear that inflation can be effectively managed in our polyarchic, neither market nor command economy.

These politico-economic trends interact with trends in the control and administration of the welfare state. Revenue-sharing is an optimistic policy; it depends upon growth and largesse. Judges will hesitate to intervene in city budget decisions to help the downtrodden, if cities and states are going bankrupt. Welfare needs of dependent populations will take a back seat to more central issues of maintaining the welfare of the whole population, if maintaining the welfare of the whole population seems to be problematic. Even the functioning of the politics of advocacy depends upon the ability of advocate groups to raise funds. Under a really bad scenario, that ability might be squashed, and the invisible clients would become invisible once more.

Politicians are allowed false promises and catchy campaign slogans; scholars have to content themselves with statements of contingent relations. The welfare state is here and well established. Its central programs will continue in place and some will continue to grow. Yet the slowdown in economic growth and the rise in inflation curb the most ambitious proponents. They also curb or influence the spread of federalization. And when federalization occurs, the lowest cost solutions will be sought.

Trends in the administration and transformation of the welfare state must ultimately be set in the larger context of national and international politics and economics. For now, we only claim to have opened up the issues.
Footnotes

1 But as Leon Epstein notes (1978), on issues in which minorities or advocates of new policies are strong in a state but weak nationally, states may lead the nation. Indeed, as we enter a period in which the welfare state is being consolidated and redefined at the national level, variance may be increased by the establishment of new programs at the state level.

2 See Joel Handler (1978) for a discussion of the public interest law firms' resource needs in conducting legal battles. See Olson (1975), Salisbury (1969), and McCarthy and Zald (1977, 1973) for the problems of mobilizing groups.

3. See Handler (1978) for a discussion of bureaucratic contingencies that impede or facilitate organizational response to normative demands for change.


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