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Third Edition

SOCIAL WELFARE

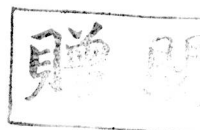
POLITICS AND PUBLIC POLICY

Diana M. DiNitto

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Third Edition



SOCIAL WELFARE

Politics and Public Policy

Diana M. DiNitto

The University of Texas at Austin



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PREFACE

Social Welfare: Politics and Public Policy, Third Edition is intended to introduce students to the major social welfare policies and programs in the United States and to stimulate them to think about major conflicts in social welfare today. The book's focus is on *issues*, and it emphasizes that social welfare in America involves a series of *political* questions about what should be done for groups such as the poor, the near-poor, and the nonpoor—or whether anything should be done at all.

Social Welfare: Politics and Public Policy describes the major social welfare programs—their histories, trends, and current problems and prospects. But more important, it tackles the difficult conflicts and controversies which surround these programs. Social welfare policy is *not* presented as a series of solutions to social problems. Instead, social policy is portrayed as public conflict over the nature and causes of social welfare problems; over what, if anything, should be done about them; over who should do it; and over who should decide about it.

The major programs—covered in this book include:

Social Security
Unemployment Compensation
Supplemental Security Income
Aid to Families with Dependent Children
General Assistance
Food Stamps
School Lunches
Community Action

Job Training Partnership Act
Mental Health
Care of the Elderly
Child Welfare Services
Legal Services
Vocational Rehabilitation
Medicare
Medicaid

All of them are described and analyzed, and alternative proposals and “reforms” are considered. Public policies that address gender inequality and the inequalities faced by members of various ethnic groups are also discussed.

This book is designed for undergraduate and beginning graduate courses in social welfare policy. It does not require prior knowledge of social welfare.

Many texts on social policy treat social insurance, public assistance, and social service programs *descriptively*; by so doing they tend to obscure important conflicts and issues. Other books treat these programs *prescriptively*; by so doing they imply that there is one “right” way to resolve social problems. *Social Welfare: Politics and Public Policy* views social policy as a *continuing political struggle* over the issues posed by poverty and other social welfare problems in society—different goals and objectives, competing definitions of problems, alternative approaches and strategies, multiple programs and policies, competing proposals for reform, and different ideas about how decisions should be made in social welfare policy.

Although Professor Thomas R. Dye no longer appears as a coauthor of the book, I wish to thank him for his comments on the third edition. Without him there would never have been a book at all. I also wish to acknowledge the anonymous reviewers who commented on this edition.

My visiting professorship at the University of Illinois at Urbana–Champaign was a great help in completing this edition, and I am always appreciative of the support given to me by my colleagues at the University of Texas at Austin. Thanks also go to Kate Daly, Jeannette Ingram, Kelly Larson, Rose Flandes, and Emma Dierkens for their assistance with word processing, and Bonnie Phillips-Barksdale and Andrew Guariguata for assistance with library research.

D. M. D.

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1

POLITICS, RATIONALISM, AND SOCIAL WELFARE

POLITICS AND SOCIAL WELFARE POLICY

No one is really happy with the nation's welfare system—not the working taxpayers who must support it, not the social welfare professionals who must administer it, and certainly not the poor who must live under it. Since the passage of the Social Security Act of 1935, the federal government has tried to develop a rational social welfare system for the entire nation. Today, a wide variety of federal programs serves individuals who are aged, poor, disabled, sick, or have other social needs. *Income maintenance* (social insurance and public assistance) is the largest single item in the federal budget, easily surpassing national defense. The Department of Health and Human Services is the largest department of the federal government, and many additional welfare programs are administered by other departments. Yet even after fifty-five years of large-scale, direct federal involvement, social welfare policy remains a central issue in American politics.

Social welfare policy involves a series of *political* issues about what should be done about the poor, the near-poor, and the nonpoor—or whether anything should be done at all. The real problems in social welfare are not problems of organization, administration, or service delivery. Rather, they involve political conflicts over the nature and causes of poverty and inequality, the role of government in society, the burdens to be carried by taxpayers, the appropriate strategies for coping with social problems, the issues posed by specific social insurance and public assistance programs, the relative reliance to be placed on providing cash rather than services to the poor, the need for reform, and the nature of the decision-making process itself. In

short, social welfare is a continuing political struggle over the issues posed by poverty and inequality—and by other social problems in society.

Policy making is frequently portrayed as a *rational* process in which policy makers identify social problems, explore all of the alternative solutions, forecast all of the benefits and costs of each alternative solution, compare benefits to costs for each solution, and select the best ratio of benefits to costs. In examining social welfare policy, we shall explore the strengths and weaknesses of this rational model.

More important, we shall portray social welfare policy as a *political* process—as conflict over the nature and causes of poverty and other social problems and over what, if anything, should be done about them. Social welfare policy is political because of disagreements about the nature of the problems confronting society, about what should be considered *benefits* and *costs*, about how to estimate and compare benefits and costs, about the likely consequences of alternative policies, about the importance of one's own needs and aspirations in relation to those of others, and about the ability of government to do anything rationally. We shall see that the *political* barriers to *rational* policy making are indeed very great.

SCOPE OF SOCIAL WELFARE POLICY

Social welfare policy is anything government chooses to do, or not to do, that affects the quality of life of its people. Broadly conceived, social welfare policy includes nearly everything government does—from taxation, national defense, and energy conservation, to providing health care, housing, and public assistance. More elaborate definitions of social welfare policy are available;¹ most of these definitions refer to actions of government which have an “impact on the welfare of citizens by providing them with services or income.”² Some scholars have insisted that government activities must have “a goal, objective, or purpose” in order to be labeled a “policy.”³ This definition implies a difference between governmental actions and an overall plan of action toward a specific goal. The problem, however, in insisting that government actions must have *goals* in order to be labeled as *policy* is that we can never be sure what the goal of a particular government action is. We generally assume that if a government chooses to do something, there must be a goal, objective, or purpose, but often we find that bureaucrats who helped write the law, lobbyists who pushed for its enactment, and members of Congress who voted for it all had different goals, objectives, and purposes in mind! The stated intentions of a law may also be quite different from what government agencies actually do. All we can really observe is what governments choose to do or not do.

Political scientists Heinz Eulau and Kenneth Prewitt supply still another definition of public policy. They write, “Policy is defined as ‘standing decision’ characterized by behavioral consistency and repetitiveness on the part of those who make it and those who abide by it.”⁴ Now certainly it would be a wonderful thing if government activities were characterized by “consistency and repetitiveness,” but it is doubtful that we would ever find a public policy in government if we insisted on these criteria. As we shall see, much of what government does is *inconsistent* and

nonrepetitive. For practical purposes, we will limit much of our discussion to the policies of government which *directly* affect the income and services available to persons who are aged, poor, disabled, sick or otherwise vulnerable. We would discourage lengthy discussions of the definition of social welfare policy. These discussions are often futile, even exasperating, since few people can agree on a single definition of social policy. Moreover, these discussions divert attention away from the study of specific welfare policies.

Note that we are focusing not only on government action but also on government *inaction*—that is, what government chooses *not* to do. We contend that government inaction can have an impact on society that is just as important as government action.

The boundaries of social welfare policy are fuzzy. But clarifying our concerns and interests should be viewed as a challenge, not an obstacle. Specifically, we will be concerned with major government programs in

Income Maintenance

- Aid to Families with Dependent Children (AFDC)
- General Assistance (GA)
- Social Security
- Supplemental Security Income (SSI)
- Unemployment Compensation
- Workers' Compensation

Nutrition

- Food Stamps
- School Breakfasts
- School Lunches
- Special Supplemental Food Program for Women, Infants, and Children (WIC)
- Meals on Wheels

Health

- Medicaid
- Medicare
- Public Health

Social Services

- Community Action programs
- Community mental health
- Job Training Partnership Act (JTPA)
- Legal services
- Social services for children and families
- Social services for older Americans
- Vocational Rehabilitation

Some of these programs are called *public assistance* because people must be poor (according to legal standards) in order to receive benefits, benefits which are paid out of general revenue funds. Public assistance programs include AFDC, Food Stamps, Medicaid, SSI, School Lunches, and General Assistance. Other programs are called *social insurance* because they are designed to prevent poverty. People pay into these programs during their working years and are entitled to benefits whether poor or not. Social insurance programs include Social Security, Medicare, Unemployment Compensation, and Workers' Compensation. Still other programs are labeled *social service* programs because they provide care, counseling, training, or other forms of assistance

to children, the elderly, disabled persons, and others. Child and family services, care for the elderly, community action, JTPA, legal services, mental health care, public health, and vocational rehabilitation are all examples of social services.

We shall endeavor, first of all, to *describe* these programs. But we shall also be concerned with the *causes* of social welfare policy—why policy is what it is. We want to learn about some of the social, economic, and political forces that shape social welfare policy in America. We shall be concerned with how social policies have developed and changed over time. We shall also be concerned with the *consequences* of welfare policies—their effects on target groups and on society in general. We shall consider some alternative policies, such as possible changes, reforms, improvements, or phaseouts. Finally, we shall be concerned with *political conflict* over the nature and causes of poverty and other social problems—and conflict over what, if anything, should be done about them.

SOCIAL WELFARE POLICY: A RATIONAL APPROACH

Ideally, social welfare policy ought to be rational. A policy is rational if the ratio between the values it achieves and the values it sacrifices is positive and higher than any other policy alternative. Of course, we should not measure benefits and costs in a narrow dollar-and-cents framework, while ignoring basic social values. The idea of rationalism involves the calculation of *all* social, political, and economic values sacrificed or achieved by a public policy, not just those that can be measured in dollars.

Rationalism has been proposed as an *ideal* approach to both studying and making public policy.* Indeed, it has been argued that rationalism provides a single *model of choice* that can be applied to all kinds of problems, large and small, public and private.⁵ We do *not* contend that government policies are in fact rational, for they are not. Even so, the model remains important because it helps us to identify barriers to rationality. It assists us in posing the question: Why is policy making not a more rational process?

Let us examine the conditions for rational policy making more closely:

1. Society must be able to identify and define social problems and agree that there is a need to resolve these problems.
2. All of the values of society must be known and weighed.
3. All possible alternative policies must be known and considered.
4. The consequences of each policy alternative must be fully understood in terms of both costs and benefits, for the present and for the future, and for target groups and the rest of society.
5. Policy makers must calculate the ratio of benefits to costs for each policy alternative.
6. Policy makers must choose the policy alternative that maximizes *net* values—that is, the policy alternative that achieves the greatest benefit at the lowest cost.

* Other major theoretical approaches to the study of public policy include institutionalism, elite theory, group theory, systems theory, and incrementalism. For an introduction to these approaches, see Thomas R. Dye, *Understanding Public Policy*, 6th ed. (Englewood Cliffs, NJ: Prentice-Hall, 1987), especially Chapter 2.

Because this notion of rationality assumes that the values of *society as a whole* can be known and weighed, it is not enough to know the values of some groups and not others. There must be a common understanding of societal values. Rational policy making also requires *information* about alternative policies and the *predictive capacity* to foresee accurately the consequences of each alternative. Rationality requires the *intelligence* to calculate correctly the ratio of costs to benefits for each policy alternative. This means calculation of all present and future benefits and costs to both the target groups and nontarget groups in society. Finally, rationalism requires a *policy-making system* that facilitates rationality in policy formation. The Israeli political scientist Yehezkel Dror provides a diagram of such a system in Figure 1-1.

Identifying *target groups* means defining the segment of the population for whom the policy is intended—aged, poor, sick, or disabled individuals, abused children, or others in need. Then the desired effect of the program on the target groups must be determined. Is it to change their physical or economic condition—for example, to increase the cash income of the poor, to improve the housing conditions of ghetto residents, to improve the treatment of children, or to improve the health of the elderly? Or is the program designed to change their knowledge, attitudes, or behavior—for example, to provide job skills, to improve literacy, or to increase awareness of legal rights? If several different effects are desired, what are the priorities among them? What are the possible *unintended consequences* on target groups—for example, does public housing improve the physical environment for many blacks at the cost of increasing housing segregation between blacks and whites? What is the impact of a policy on the target group in proportion to that group's total need? A program that promises to meet a recognized national need—for example, to eradicate poverty—but actually meets only a small percentage of that need may generate great praise at first but bitterness and frustration later when it becomes known how insufficient the impact really is, relative to the need.

Policies are likely to have different effects on various segments of the population. Identifying important *nontarget groups* for a policy is an important but difficult process. For example, what is the impact of welfare reform proposals, such as a guaranteed annual income, on groups other than the poor—that is, on working-class families, government bureaucrats, social workers, and taxpayers? Rational policy making requires consideration of *spillover effects*. These nontarget effects may involve benefits as well as costs—for example, the benefits to the construction industry from public-housing projects or the benefits to farmers, food manufacturers, and grocery store owners from the Food Stamp program.

When will the benefits or costs be felt? Is the policy designed for short-term emergency situations or is it a long-term developmental effort? If it is short term, what will prevent bureaucrats from turning it into a long-term program, even after immediate needs are met? Many studies have shown that new or innovative programs have short-term positive effects—for example, Head Start and other education and job-training programs. However, the positive effects sometimes disappear as the novelty of and enthusiasm for new programs wear off. Other programs experience difficulties at first (for example, physicians and hospitals were initially reluctant to accept Medicare and Medicaid patients) but turn out to have *sleeper* effects (today, Medicare and Medicaid have achieved widespread acceptance).

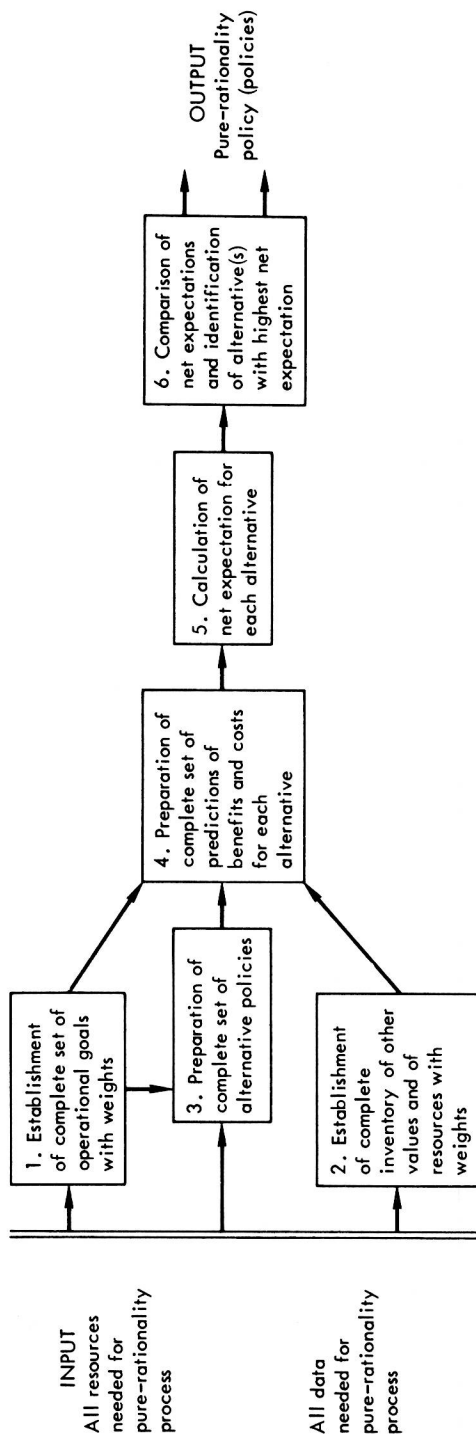


FIGURE 1-1 A rational model of a decision system. (Reprinted from Thomas R. Dye, *Understanding Public Policy*, 6th ed., Englewood Cliffs, N.J.: Prentice Hall, 1987, p. 33.)