

State Government's Sovereignty over Welfare in the US: the Institutional Approach

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1. Introduction

Given that AFDC/TANF has evolved into many state specific programs, one is to ask what factors have contributed to the differences among state level programs. Relative to the number of existing comparative studies on national level social welfare programs, few studies have been conducted on state level social assistance programs in the United States. Of the state level studies that have been done, most focus primarily on differences in benefit levels and attempt to explain the differences across states using either rational choice theory or socio political theory.

In this study, I argue that the rational choice (otherwise known as the economic approach) and the socio political approach that have been used, cannot fully explain the differences in AFDC/TANF implementation among states. I propose using an alternative theory, the institutional approach, which argues that differences among the institutionalization processes of state government, as well as the risk and uncertainty that they face in implementing welfare programs, contribute to the variations found among state programs. Developing and using seven explanatory variables from the institutional approach, I test three marginal models, each of which represents one aspect of TANF: income eligibility, maximum benefit level, and the percentage of total state expenditure allocated to TANF implementation.

2. Explaining the Variations: the Rational Choice and Socio-political Approaches

2.1. The Rational Choice Approach

2.2. The Socio-political Approach

3. Explaining the Differences: Using the Institutional Approach

ess generous in states belonging to regional associations with customs, rules, or regulations that are more restrictive towards poor people.

4. Models and Data

4.1. Model estimations

4.2. Data and Variables

5. Results

<Table 3-4> The Comparison of the determinants of TANF programs

| | Ln Income eligibility (Coefficient) | Ln Maximum benefit (Coefficient) | Percentage of TANF expenditure (Coefficient) |
|---|--|-------------------------------------|---|
| Ln Per capita income | .0683 (.2352) | -.0593 (.1812) | -.5587 (.6629) |
| Unemployment rate among women | -.0236 (.0173) | -.0050 (.0110) | .0129 (.0510) |
| Political affiliation of governor | -.0014 (.0723) | .0615** (.0310) | .1168 (.1060) |
| Inter-party Competition | .0288 (.0341) | -.0127 (.0109) | -.0712 (.0697) |
| Ln administrative costs per family | .0028 (.0134) | -.0281 (.0213) | .2923*** (.0535) |
| Federal share of total TANF expenditure | .2034* (.1150) | -.0400 (.0962) | -.1866 (.4503) |
| Federal share of total state expenditure | -.4867 (.5842) | -.6561** (.3066) | -.3327 (1.2579) |
| Unexpected deficit level | -.0000 (.0000) | -.0000 (.0000) | .00001 (.00001) |

| | In Income eligibility (Coefficient) | In Maximum benefit (Coefficient) | Percentage of TANF expenditure (Coefficient) |
|--|--|-------------------------------------|---|
| Stringency of balanced-budget rules | .0031 (.0081) | .0034 (.0073) | -.0407* (.0221) |
| East | .3750** (.1460) | .7635*** (.1125) | 1.0275*** (.2555) |
| West | .4249*** (.1387) | .6247*** (.1012) | .1778 (.2627) |
| Midwest | .2814** (.1345) | .5753*** (.0943) | .3059 (.2128) |

Standard errors in brackets.

***significant at .01 level; **significant at the .05 level; *significant at .10 level

6. Conclusions

This study has two implications for theory building. First, this study demonstrates that the federal government influences, both directly and indirectly, state governments' decisions as to the content and scope of TANF programs. Second, this study suggests that state governments, according to the regions to which they belong, act collectively with their neighboring states. Many scholars have noted that sectionalism, as explained by the institutional approach, has worked in the development of many social policies (Key, 1984; Bensel, 1984; Quadagno, 1988; Weir, Orloff, and Skocpol, 1988; Howard, 1999; Lieberman and Lapinsky, 2001).¹⁾ This study shows that American sectionalism is still alive and at work in the realm of TANF programs.

Along with such implications, this study has two limitations for theory building. First, it does not consider the influence of third party providers on TANF programs. Among the environments of state governments operate within with respect to TANF programs. Second, this study does not consider the influence of organizations that advocate for TANF recipients.

References

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1) For example, Richard Bensel notes that the United States is "divided into two or more regions, each of which is internally cohesive and externally opposed to the other(s)" over significant public decision, including AFDC/TANF 1984.

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