Organizations and Exclusion: 
An Inquiry Into Bureaucratic Proceduralism

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ORGANIZATIONS AND EXCLUSION:  
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ABSTRACT

This inquiry takes up the question of how bureaucratic proceduralism operates in benefits delivery and, specifically, whether it produced exclusionary effects in the case of welfare delivery. Bureaucratic proceduralism, a construct of this analysis, is defined as organizational practices occurring through the interaction of formal rules and procedures with informal administrative activities. This focus on proceduralism directs empirical attention to the processes that affect the cost of claiming, not on the categorical standards for eligibility themselves. It recognizes that eligibility rules are not self-executing, but depend on the formal and informal steps, interactions, and judgments that constitute the business of claimsmaking at the street-level.

Using data from the National Survey of America’s Families, this inquiry addresses two empirical questions. First, was bureaucratic proceduralism a factor in declining welfare caseloads in the period post-welfare reform? Second, did proceduralism have differential effects on welfare claimants, depending on their socio-economic status, race, or ethnicity? That is, did proceduralism produce inequality in access to benefits? This analysis builds on and contributes to the theoretical and empirical literature on street-level bureaucracy and welfare administration. Beyond these analytic concerns, it has practical implications for welfare administration as well as political implications for administrative justice.
Organizations responsible for delivering social welfare benefits confront a fundamental dilemma: how to reach those who need and merit assistance while preventing access to those who do not. Finding the right balance between prudence and prohibition is more than a matter of "following the rules." In practice, rules are operationalized through the development of formal procedures as well as numerous informal judgments and interactions that are part and parcel of the claiming process. The complexity of benefits delivery, complexity derived from both formal law and agency practice, allows for considerable elasticity in the effective cost of benefits claiming. Consequently, organizations play a critical but poorly understood role in determining how accessible benefits will be, and to whom.

Viewed through an organizational lens, access to benefits can be understood as a function of both administrative costs to the claimant and of the claimant's capacity to "pay." Both sides of the interaction matter, independent of categorical status and individual preference. When administrative costs exceed the capacity of otherwise eligible and interested claimants to pay, one might regard organizational practices as shifting from prudence to prohibition. While claimant capacity is more or less a given, organizationally-imposed costs are elastic. If an organization aimed to maximize access, it would keep the procedural costs of claiming low, especially relative to claimant capacity. The risk here would be wrongful inclusion. If an organization aimed to maximize prudence, it would raise procedural costs. The risk here would be wrongful exclusion.

In the real world, these kinds of organizational choices may not be fully articulated or recognized, nor may they be entirely within management's purview. In the case of welfare, as this article will discuss, reform legislation implemented in 1997 imposed formal procedural requirements and introduced new fiscal incentives that changed the context for administration. Under these circumstances, street-level bureaucracy theory would predict that state agencies would develop formal and informal practices likely to raise the cost of claiming and result in wrongful exclusion (Brodkin, 1986; Lipsky, 1980). However, it is also possible that increased street-level discretion, which the law allowed, might operate to reverse effect (Diller, 2000). Certainly, in earlier periods, discretionary welfare casework was often thought to be too lenient and wrongfully inclusive (Brodkin, 1986; Handler and Hollingsworth, 1971; Steiner, 1971).

This inquiry takes up the question of whether bureaucratic proceduralism in welfare produced exclusionary effects. Bureaucratic proceduralism, a construct of this analysis, is defined as organizational practices occurring through the interaction of formal rules and procedures with informal administrative activities. This focus on proceduralism is intended to direct empirical attention to the processes that affect the cost of claiming, not on the categorical standards for eligibility themselves. It recognizes that eligibility rules are not self-executing, but depend on the formal and informal steps, interactions, and judgments that constitute the business of claimsmaking at the street-level.

This analysis does not make assumptions about what constitutes the "right" administrative response. Rather, it seeks to assess whether the claiming costs associated with bureaucratic proceduralism affect access to benefits as well as their distribution across subgroups of claimants. Specifically, this inquiry examines whether bureaucratic proceduralism contributed to caseload decline and whether it had a
distributive bias, differentially affecting program leavers according to socio-economic status, race, and ethnicity.

It is no small challenge to devise an empirical strategy that can capture effects of practices that are discretionary and not fully transparent. Agency administrative data are of little help because they present the aggregate of formal agency judgments, but do not reveal variation in the informal processes through which they are made or the distributive impacts of these processes. Other approaches, reviewed in the next section, include studies of formal procedures (for example, monthly reporting or application forms). This analysis is informed by these studies, which constitute part of the problem of proceduralism. However, studies of specific, formal procedures are necessarily limited in scope and do not tend to consider the role of, informal, discretionary practices. This analysis also takes account of the contribution of qualitative case studies, which have made great headway in analyzing how discretionary street-level processes operate in specific settings and the factors that shape them systematically. They have advanced understanding of why informal practices occur and how they operate. The questions explored in this analysis are informed by this literature. However, qualitative studies tend to be site specific, making generalization problematic. Nor are they able to offer a systematic assessment of impacts.

This inquiry moves beyond these two more commonly-used approaches by taking a broad view of administration that investigates the effects of both the formal procedures and informal practices that comprise benefits delivery. It also addresses the problem of generalizability by using data for from the National Survey of America’s Families (NSAF), which was conducted in three waves between 1997 and 2002. These data permit findings to be generalized at the national level and move beyond a snapshot to make comparisons between time periods.

The analysis begins with a discussion of the problem of bureaucratic proceduralism, based on a review of the theoretical and empirical literature on street-level organizations and benefits delivery. It then addresses two empirical questions. First, was bureaucratic proceduralism a factor in declining welfare caseloads? Second, did proceduralism have differential effects on welfare claimants, depending on their socio-economic status, race, or ethnicity? That is, does proceduralism produce inequality in access to benefits? This study was designed to build on and contribute to the theoretical and empirical literature on street-level bureaucracies and welfare administration. Beyond these analytic concerns, the findings have practical implications for welfare administration as well as political implications for administrative justice.

**Investigating Bureaucratic Proceduralism:**

**Theoretical and Legal Context**

The focus of this analysis is bureaucratic proceduralism, defined as organizational practices that occur through the interaction of formal rules and procedures with informal, discretionary casework processes. This analytic construct recognizes that it is impossible and analytically undesirable to separate the formal and informal dimensions of bureaucratic practice. This construct is derived from an expanding literature on street-level organizations and welfare administration. This literature underscores the importance of examining discretionary practices that, effectively, shape policy on the ground. However, as a review of this literature indicates, it has proved difficult to formally and systematically assess the broad-reaching effects of
discretion. This study, which examines how formal rules and informal rules interact to affect access to benefits, addresses this gap by generating empirical findings that can be generalized nationally.

**Discretion in Theory and Practice.** From a theoretical perspective, welfare agencies can be understood as street-level bureaucracies in which caseworkers exercise discretion in the routine business of policy delivery. As explained in the theoretical and empirical literature, discretion responds both to the demands of street-level work and to opportunities to develop informal modes of routine practice (Brodkin, 1986, 1997; Lipsky, 1980; Maynard-Moody and Musheno, 2003). The space for discretion comes, in part, from the nature of formal law and rules. They often require judgment in their execution and, moreover, are too complex to be reduced to a rote set of practices, despite on-going managerial efforts to do so. Discretion also derives from the structure of street-level work, in which caseworkers develop informal modes of practice that enable them to balance resources (organizational and individual) and with demands made on them by both management and claimants. Finally, discretion is able to flourish when informal practices are difficult to observe or effectively monitor.

The empirical literature demonstrates myriad ways in which discretion occurs in the case of welfare delivery (Bennett, 1995; Brodkin, 1997; Brodkin, 2006; Handler and Hollingsworth, 1971; Lipsky, 1980; Lurie, 2006; Maynard-Moody and Musheno, 2003; Meyers, Glaser, and Mac Donald, 1998; Morgen, 2001; Riccucci et al., 2004; Sandfort, 2000; Soss, 2000; Soss, Schram, and Fording, 2005). Welfare rules are voluminous and their application requires judgment and flexibility. Caseworkers are expected to determine what constitutes sufficient proof of eligibility (for example, is a note from a landlord adequate in lieu of a formal rent receipt or cancelled check?), whether individuals have genuinely attempted to comply with processing demands (for example, did they refuse to appear for a scheduled appointment or did the appointment notice fail to arrive in the mail on time?), and even whether claimants have acted in "good faith" in responding to various requirements (for example, did they show up for work only to be told their hours had been cut back, or did they refuse to work?). These routine examples of discretion at work are not invented, but are drawn from case records reviewed in a study of administrative barriers to accessing welfare and other public benefits (Brodkin, Fuqua, and Waxman, 2005).

Organizational studies of benefits delivery have repeatedly found considerable elasticity in even supposedly rulebound case processing. It is this elasticity, rather than policy changes in categorical standards of eligibility, that has at times provided opportunities to shift the balance between prudence and prohibition. Historically, welfare administration has been subject to notable swings, in no small part because both administration and policy have been politically contentious (Brodkin, 2006). For example, in the 1960s, state social service agencies were responsible for benefits delivery and social workers were vested with considerable discretion. These discretionary practices were criticized by some analysts for being too lenient in distributing benefits and by others as being too moralistic and idiosyncratic (Bane and Ellwood, 1994; Brodkin, 1986; Handler and Hollingsworth, 1971; Mashaw, 1974; Piven and Cloward, 1993; Simon, 1983; Steiner, 1971).

Subsequently, federal legislative reforms shifted welfare delivery away from social service bureaucracies to newly-constituted welfare agencies. These nominally
rule-oriented agencies were organized around case processing as opposed to social work, although that alone did not resolve concerns about leniency in benefits discretion. That concern was tackled in the late 1970s with the implementation of a federal quality control system set up to monitor and create financial incentives to tighten up case processing. As subsequent analyses showed, quality control indirectly encouraged a shift to a more prohibitive form of practice, emphasizing rigorous procedures for establishing proof of eligibility and creating financial incentives to err on the side of exclusion (Brodkin, 1986; Bendick, Lavine, and Campbell, 1978; Casey and Mannix, 1986; Casey and Mannix, 1989; Dehavenon, 1989-1990; Kramer, 1988). These managerial strategies did not eliminate discretion, but they did influence the ways in which it was exercised.

The Legal Context for Welfare Administration. More recently, the legislative overhaul that replaced AFDC (Aid to Families with Dependent Children) with TANF (Temporary Assistance for Needy Families) substantially altered the legal context for welfare administration beginning in 1997. The most vigorously-debated changes involved conditions on categorical eligibility, particularly, the establishment of time limited benefits and new requirements regarding work. Less well-remarked were three important administrative changes that had the potential to alter street-level practices and contribute to bureaucratic proceduralism.

First, TANF gave states broad discretion in welfare delivery, allowing variation in categorical and procedural requirements that could be more demanding than federal law. Second, TANF introduced complicated work requirements that, irrespective of their substantive intent, added a new layer of procedural steps and requirements to welfare receipt and, indirectly, broadened the scope of street-level discretion in their application (Diller, 2000; GAO, 2000). Third, TANF altered financial incentives relevant to state welfare administration. It changed the structure for federal financing of state welfare costs, shifting from an open-ended entitlement to a fixed block grant. The statute also put in place performance measures, setting quotas for placing welfare recipients in work activities and rewarding state caseload reduction. The quotas were tied to fiscal incentives and penalties.

Together, these provisions created both incentives and opportunities for states to maximize their fiscal returns by limiting access through administrative means, other things being equal. For example, under the devolved block grant structure, states could build up reserves of unspent TANF funds and transfer funds from cash benefits to state social service programs (GAO, 1998). Under these arrangements, states were no worse off, and arguably better off, when their welfare caseloads fell. While this, alone, may not have created a strong incentive toward exclusionary practice, other TANF provisions were more problematic.

TANF legislation required that a certain percentage of recipients engage in statutorily defined “work activities.” States that failed to meet participation quotas were subject to reductions in federal payments. However, states were allowed to reduce their participation quotas by the extent of caseload reduction not attributable to changes in formal eligibility standards. Lowered work participation quotas meant that states had fewer worries about meeting potentially costly statutory requirements for work-related services (GAO, 2002a; Mermin and Steuerle, 1997). These and other bonuses for caseload reduction effectively rewarded state for driving caseloads down, but did not
distinguish between reductions achieved through programmatic efforts that improved the well-being of recipients versus reductions achieved through administrative means.

Arguably, these provisions could be regarded as encouraging good programmatic practices and administrative prudence. However, when incentives are unbalanced, encouraging caseload reduction without penalizing or otherwise discouraging wrongful exclusion, theory would predict that organizational practices would be skewed toward prohibition. The relationship between performance incentives and practices, although indirect, can be quite pervasive and powerful, as a variety of organizational studies have shown (Brodkin, 1997, 2006; Hasenfeld and Powell, 2004; McDonald and Marston, 2002; Meyers and Mac Donald, 1998). TANF's administrative incentive structure, coupled with increased room for bureaucratic discretion, created a context in which bureaucratic proceduralism might be expected to flourish.

**Proceduralism in Organizational Practice**

This article argues that bureaucratic proceduralism is embedded in the practices of welfare delivery. It matters to the extent that it limits and skews the distribution of benefits administratively, outside the provisions of formal law. It is theorized that bureaucratic proceduralism functions as extra-legal form of administrative exclusion. It does so indirectly, that is, by raising the costs of claiming beyond the capacity of some claimants to pay. In addition, proceduralism may raise costs unevenly and have different effects on differently situated claimants, varying by socio-economic status, ethnicity and race.

Empirical research on specific aspects of organizational practice suggests a variety of ways in which costs may be imposed and may interact with the capacity of claimants to meet those costs. These organizationally-imposed costs derive from the multitude of mundane claimsmaking and processing activities that occur in street-level practice. Some costs are formally imposed, for example, when rules specify procedural steps required for claiming benefits, among them providing documentary verification of eligibility status, attending required appointments and meetings, completing forms, and so forth. Costs also may be imposed informally, as a by-product of discretionary caseworker decisions about whether to demand documentation, how much and what kind of evidence to accept, and what kind of help will be given to claimants having difficulty navigating procedural steps. Other informal interactions also affect the cost of claimsmaking, varying in terms of how much time they take (including waiting, delay, multiple demands for in-office meetings), how straightforward or confusing the processes are, the accuracy and completeness of information provided to claimants, and the simplicity or complexity of "compliance" (how many parties are involved, how well information is maintained and shared, and so forth).

Studies of selected procedures and specific organizations reveal a variety of ways in which these kinds of practices affect access to benefits, both in the aggregate and among subgroups. For example, a study of AFDC monthly income reporting in Colorado indicated that 20 to 50 percent of otherwise eligible claimants lost benefits for "failure to comply" with reporting procedures (Casey and Mannix, 1989; Price, 1981). Another study of monthly reporting in Michigan and Illinois found that about one-third of those losing benefits were otherwise eligible (Casey and Mannix, 1989; Holhouser, 1985). Studies of the application process have shown that program forms may be too
voluminous and complicated for individuals with limited education or clerical skills to understand or address (Bennett, 1995, Bendick, Lavine and Campbell, 1978).

Other research has identified costs imposed through some of the informal organizational practices that constitute proceduralism. For example, proceduralism can raise the cost of obtaining and retaining benefit when claimants encounter frequent requests for face-to-face meetings (with times mandated by caseworkers rather than arranged with claimants, who may be constrained by familial obligations), long waiting times at welfare offices, unpleasant or hostile interactions, and requests for documents or proof of eligibility that may be difficult or impossible to obtain (Bennett, 1995; Blasi, 1987-1988; Brodkin, 1986; Brodkin, 1997; Brodkin, Fuqua, and Waxman, 2005; DHHS, 1999; Dehavenon, 1989-1990; Meyers, Glaser, and MacDonald, 1998; Sandfort, 2000; Soss, 2000; Wilson, 1989).

As previously noted, the effective cost of access must be understood, not only in absolute terms, but also in relationship to claimant capacity. Even were an organization to impose costs on individuals equally, the effects would be unequal if claimants varied in their ability to successfully comply with requirements (individual preference and substantive eligibility held constant). Empirical research on this point is limited. However, this part of the equation is illustrated in a study that developed an index of procedural accessibility linking effective costs and capacities. It showed that complex formal procedural requirements had an unequally restrictive effect, varying with claimants' level of educational attainment (Bendick, Lavine, and Campbell, 1978).

Other analysts have suggested that the problem is even more complex, as those claimants with the most complicated personal situations and, perhaps, the greatest disadvantage, may find themselves subject to a greater procedural burden than others. In his analysis of Food Stamp Program administration, Super (2004, p. 842) contended that "a claimant in more severe need who faces greater obstacles to obtaining that [procedural] verification – a handicap, a work schedule, a child whose chronic health problems require numerous doctors' visits, or a lack of access to transportation – may drop away." Similarly, Cherlin et al (2002, p. 402) suggested that "Each of the many ways that rules can be violated requires its own verification system and has its own paper trail. For low-income individuals with limited education, daily lives filled with personal turmoil, and employment and family responsibilities to balance, meeting all of these demands may be more than many can handle."

The interaction between organizationally-imposed costs and individual capacity further complicates the problem of proceduralism. The cost-capacity equation may vary, not only by personal circumstance and capacity, but also as the difficulty of procedural tasks increase. This is particularly relevant when the steps claimants must take depend on the responsiveness of other individuals and agencies. For example, when states impose procedural requirements on claimants, involving their children's school attendance, immunization records, medical checkups, employment certification, and so forth, they are effectively raising procedural costs. Those costs are higher when obtaining documents and records depends on individuals or institutions beyond the claimant's direct control, among them, their children, physicians, health clinics, and employers, among others (Etheridge and Percy, 1993; Pawasarat, Quinn, and Stetzer, 1992). The question is not whether there are reasonable grounds for the agency to seek
the information. It is simply that under some circumstances, these additional costs may be beyond the capacity of some claimants to "pay."

**Reconsidering "noncompliance."** The literature reviewed here demonstrates a variety of ways in which cost and capacity interact to affect claimsmaking. It also underscores the importance of unpacking the overly simple administrative construct of "noncompliance." That term is used as an administrative label justifying denial of benefits or imposition of sanctions. It implies that a claimant was unwilling to follow the rules, that is, that noncompliance was a matter of choice or a behavioral failing. Reconsidered from an organizational perspective, this administrative categorization appears problematic. It lumps together those who might decline to comply and those who are unable to comply, despite their desire and effort to do so. In contrast, this analysis of bureaucratic proceduralism moves beyond individualistic and reflexive assumptions about noncompliance as an administrative construct. By bringing organizational practices to the forefront, it opens to consideration the costs of compliance, how they are distributed, as well as individual capacity to meet them.

The need to reconsider noncompliance as an organizational problem is beginning to receive attention in emerging studies of welfare sanctions. In brief, caseworkers may impose administrative penalties that temporarily reduce or deny benefits when claimants run afoul of procedural requirements, but remain otherwise eligible for benefits. Research on sanctions has begun to reveal an elasticity of sanctions that is consistent with the analytic model of proceduralism developed here. Some sanctions studies suggest that whether claimants lose access to benefits through sanctions depends both on the costs associated with discretionary bureaucratic application of rules and judgments concerning compliance and also on the capacity of individual claimants to comply.

Generally, studies have found variation in sanctions policies and their administration that effectively make claimant compliance easier or more difficult to achieve (DHHS, 2003; Goldberg and Schott, 2000; Lens, 2006). In effect, sanctions policy appears to be rather elastic and its informal application shown to produce disparate effects among subgroups of claimants. At an aggregate level, there is evidence that states with larger numbers of African-Americans in their welfare caseloads were likely to adopt stricter TANF sanction policies (Soss, Schram, Vartanian, and O’Brien, 2001). But more recent research suggests that racial disparities are not only a matter of formal policy, but also its informal application. A study of TANF sanctions in Missouri found that countywide sanction rates increased as the nonwhite population increased until a threshold was reached where nonwhites presumptively gained political power (Keiser, Mueser, and Choi, 2004). Studies in New York and Colorado showed a racial disparity in the application of sanctions (Muller, 2007; Desai and Haas, 2007) that could not be explained by other differences in individual characteristics. A Florida study found that the distribution of sanctions varied by both disadvantage and race, independent of other potentially explanatory variables (Soss, Schram, and Fording, 2006). These sanctions studies underscore ways in which procedures, their discretionary application, variation in claimant capacity, as well as race and ethnicity may interact to affect access to benefits.

However, sanctions constitute only a small portion of organizational practice relevant to the broader problem of bureaucratic proceduralism. In fact, one reason that
proceduralism is so difficult to assess is that it occurs in myriad forms and may increase the cost of claiming in ways that are not adequately captured by examining selected formal processes or administrative categories. The variety of ways in which administrative practices can impede access to benefits was documented in a study of access to public benefits in metropolitan Chicago. The study identified an array of bureaucratic practices that deterred access, among them procedural complexity, confusion, delay and even maladministration, when caseworkers misplaced or lost documents, misunderstood complicated rules, or made excessive procedural demands (Brodkin, Fuqua, and Waxman, 2005). It offered a rough estimate of the deterrent effect of these informal practices, finding a statistically significant relationship between local welfare offices generating the most administrative problem reports and those generating the greatest reductions in their caseloads. These findings add to a growing body of research, both qualitative and quantitative, demonstrating the potentially exclusionary effects of many varieties of administrative practices.

This inquiry into bureaucratic proceduralism builds on this body of research and seeks to provide a more comprehensive view of the problem. It uses formal analysis and nationally-representative data to examine whether bureaucratic proceduralism raised the cost of access to the extent that it resulted in exclusion and a distributive bias against subgroups of claimants distinguished by socio-economic status, race, and ethnicity. As discussed, this analysis is grounded in the theoretical literature on street-level organizations and welfare administration, which recognizes the importance of informal bureaucratic discretion in benefits delivery. In focusing on the effects of bureaucratic proceduralism, the analysis does not assume that proceduralism is intentional, a product of ill will or ideology. However, to the extent that it produces wrongful exclusion or skews distribution, its effects may be understood as having political and normative implications.

**Research Approach**

This inquiry proceeds in two stages. First, it analyzes whether proceduralism contributed to TANF caseload decline. Second, it analyzes whether proceduralism had differential effects on claimants varying with socio-economic status, race, and ethnicity. This study uses data from the National Survey of America’s Families (NSAF), which was designed to be representative within thirteen focal states selected for intensive sampling and, upon inclusion of observations from the balance of the nation, representative of the country as a whole. The survey was administered in three waves. The 1997, 1999, and 2002 survey rounds cover program exit experiences from January 1995 through much of 1997, January 1997 through much of 1999, and January 2000 through much of 2002, respectively. These three survey waves provide an opportunity to examine differences across time periods.

The analysis focuses on welfare leavers who, at the time of the survey, indicated that they were not currently receiving benefits. Among the key survey questions of interest are those asking the “most knowledgeable adult” in the family either why the welfare office cut them off, or why they left welfare. The questions themselves were open-ended and the interviewers, who coded answers according to predetermined categories in the survey instrument, encouraged the respondents to provide multiple explanations. This study classifies responses that explicitly referenced rule compliance and administrative hassles as “procedural” and all other responses as “non-procedural.”
Specifically, it codes as a procedural those responses that indicated “did not follow program rules,” “administrative problems/mix up,” “didn’t want or need/too much hassle/system too frustrating,” and “personality clash.” It coded as non-procedural responses that indicated “earnings had increased,” “assets were too high,” “reached end of time limit,” “not a U.S. citizen,” “receiving money from other source,” “change in family situation,” “moved,” “got a job,” “same job, worked more hours, or got a raise,” “got a better job,” “married/remarried,” “moved in with family,” “moved to another county/state,” “did not want it or need it/uninterested,” “received money from another source,” “earnings too high,” and “income too high.”

It is important to note that a situation in which a claimant says that she left welfare because her income was too high is nevertheless a situation that, directly or indirectly, may have been shaped by procedural requirements. After all, it was only by virtue of the application of procedural rules (or the possibility of their application) that the respondent declared her income too be high. Even supposedly non-procedural exits take place within a framework of procedural rules and their informal application. Similarly, program rules such as work requirements, in principle, could effect improvements in claimants’ substantive status so that they provide non-procedural explanations for program exit. However, this study adopts a conservation approach to identifying procedural reasons for leaving welfare. If an NSAF survey respondent had the opportunity to provide a “procedural” reason for leaving welfare or food stamps, but did not, then “proceduralism" per se was not an important factor in determining program exit – even though procedural rules may have been an important background feature. This is consistent with the notion that proceduralism is of analytical interest when it affects program participation independently of the substantive status of claimants, no longer serving as a means to an end but rather taking on, as it were, a life of its own.

The NSAF contains information regarding respondent characteristics, including race, ethnicity, and gender, as well as characteristics associated with capacity (namely, variables relating to socio-economic status). The specific socio-economic variables of interest for this analysis pertain to education, marital status, labor force status, and poverty level, as will be discussed.

Among the advantages of using NSAF data is that they are nationally representative and allow for generalizations across time. However, the data also have limitations, given that the survey responses are from welfare leavers and that comparable questions allowing one to distinguish between procedural and non-procedural factors were not asked of non-entrants. This could lead to under- or over-estimation of proceduralism’s effects. If one assumes that claimants with more limited capacity are less likely to make it through the procedural hurdles of entry, a socio-economic analysis of leavers – those who made it through the entry process – is more likely to be biased toward conservatism in assessing proceduralism’s effects.

In addition, this analysis assumes that the relative importance of entry and exit is constant across states that vary in the degree of caseload reduction. There is no a priori reason to question this assumption. Nevertheless, it is possible that there are differences that could bias the analysis so that it either overstates or understates the contribution of bureaucratic proceduralism to caseload decline. It is not possible to test for this potential bias because of data limitations.
Linear probability modeling (LPM) is used throughout this study. As a cross-check on the validity of this approach, a second analysis was run examining marginal effects from probit estimation. These results, detailed elsewhere, were consistent with the LPM analyses (Majmundar, 2007, Appendix C).

Analysis I: Proceduralism and TANF Caseload Decline

Since the enactment of TANF in 1996, caseloads have dropped dramatically across the country. They were cut in half between 1996 and 2000 (UI, 2006). By 2006, the number of families receiving welfare was the lowest it had been since 1969, and the percentage of children on welfare was lower than it had been since 1966 (Haskins, 2006). Although specific factors contributing to this decline are difficult to measure precisely, much of the reduction appears to be explained by explicit policy changes that statutorily limited eligibility, coupled with estimated increases in employment among former recipients (Grogger, Karoly, and Clerman, 2002; CEA, 1999). However, it has been more difficult to account for reduction in caseload occurring among poor families who, in earlier periods, would have been expected to receive assistance. Welfare leaver studies show a substantial proportion of leavers with no work and no welfare (Zedlewski et al, 2002). Other analyses show a dramatic decline in take-up rates with more than half of poor families without welfare benefits (Parrott and Sherman, 2006). These and other studies raise questions about "what else" might have driven caseloads down.

From an organizational perspective, the crucial question is whether organizational practices affected access to benefits independent of formal legal provisions and substantive status. The first step in this inquiry is to examine empirically whether caseload reduction was achieved, in part, by administrative means. As theorized here, administrative practices characterized as bureaucratic proceduralism effectively raise the cost of claiming. This analysis offers a formal, probabilistic test of the hypothesis that caseload decline was associated with bureaucratic proceduralism. It uses NSAF data on welfare leavers to determine whether claimants living in states that had higher rates of caseload decline were more likely to exit welfare for procedural reasons than for non-procedural reasons.

The relationship can be summarized as follows:

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\text{(Proceduralism - Unobserved)}_{\text{aggregate (state) level}} \Rightarrow \text{(Disproportionately More Procedural Exits - Unobserved)}_{\text{aggregate (state) level}} \Rightarrow \text{(Caseload Reduction - Observed)}_{\text{aggregate (state) level}} \Rightarrow \text{(Disproportionately Higher Probability of Procedural Exit - Observed)}_{\text{individual level}}
\]

At the aggregate level, the expectation is that states with higher rates of procedural exit relative to non-procedural exit will have higher rates of caseload decline. At the individual level, the expectation is that claimants in states with higher rates of caseload decline will be relatively more likely to be procedural leavers (that is, exiting for procedural reasons) than to be non-procedural leavers (that is, exiting for non-procedural reasons).

By comparing procedural exits (PE) to non-procedural exits (NPE), this analysis automatically accounts for the possibility that the two types of exits could move in
tandem. Formal policies affecting categorical eligibility, benefit generosity, as well as claimant need (that is, the factors determining non-procedural exit) also influence claimant tolerance of administrative burdens and the choices made with regard to procedural compliance (that is, some of the factors determining procedural exit). These factors apply to both types of exit. It is the difference between PE and NPE that is key to this analysis.

It is possible that exits claimants attributed to non-procedural factors were influenced by bureaucratic proceduralism. This could occur if individuals exiting welfare believed they were categorically ineligible for benefits, but, in fact, were subjected to a discretionary and inaccurate interpretation of categorical and/or procedural rules. To the extent this occurs, the caseload reduction analysis will understate the effects of bureaucratic proceduralism. This analysis faces same limitation as any study that depends on survey data, in that the factual accuracy of the responses cannot be independently confirmed.

The dependent variable is the probability that a TANF exit was procedural rather than non-procedural. The independent variables are: caseload reduction, twelve state dummies, one survey round dummy, state unemployment rate, individual characteristics related to socio-economic status (among them, education, marital status, poverty level), gender, and race and ethnicity. The individual-level variables will be taken up later in discussing of the distributive effects of proceduralism.

Caseload reduction is posited as a categorical rather than continuous variable so that it may reflect more plausibly the hypothesized impact of bureaucratic proceduralism. One would not expect a one-to-one mapping from incremental changes in ground-level proceduralism to incremental changes in aggregate caseloads. The fact that caseload change values are imputed to a time period spanning three full years – the approximate period included in each of the NSAF survey rounds – makes monthly or annual caseload change an even less accurate reflection of the proceduralism faced by someone in any given year, let alone month.

This analysis groups states into five nominal categories, each with approximately the same number of individual observations, based on their relative magnitude of caseload decline (that is, changes in benefit receipt by families). Category 1 states experienced the largest rates of caseload decline, Category 5 states the smallest. The rates of caseload change for the Category 1, Category 2, Category 3, Category 4, and Category 5 states were -52.57 percent, -39.6 percent, -22.37 percent, -8.21 percent, and 4.43 percent, respectively (DHHS 2006). Four LPM regressions were run (clustered by state-year), with Categories 2, 3, 4, and 5 each serving as the respective excluded categories. The caseload reduction variable also was structured in several different ways in order to more closely examine categorical differences and test the sensitivity of the estimates. These analyses, detailed elsewhere (Majmundar 2007) are consistent with the findings of this study.

**Findings.** The empirical analysis examines the relative frequency of procedural exits (PE) and non-procedural exits (NPE) across categories of states, which vary according to the relative magnitude of TANF caseload reduction. There are two steps in this analysis. The first examines this relationship in the aggregate. The second looks comparatively over two time periods characterized by different relative rates of caseload decline. The first period immediately followed TANF implementation (1997-1999). The
second occurred after the biggest round of reductions was achieved (2000-2002). Rates of caseload decline (families on welfare in the United States as a whole, excluding Guam, Puerto Rico and the Virgin Islands) were 32.21 percent in period one and 8.57 percent in period two (DHHS 2006).

The empirical analysis shows that, with the exception of Category 1 states, claimants in states with higher degrees of caseload reduction were more likely to exit welfare for procedural reasons than those in states with lower caseload decline. (See Table 1.)

Table 1: Impact of TANF Caseload Reduction on Procedural Exit

<table>
<thead>
<tr>
<th>Procedural exit (1) vs. Non-procedural exit (0)</th>
<th>Category 2 states</th>
<th>Category 3 states</th>
<th>Category 4 states</th>
<th>Category 5 states</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedural Exits: Category 1 states compared to</td>
<td>-0.0759*** (0.0232)</td>
<td>-0.0322* (0.0180)</td>
<td>0.1377*** (0.0275)</td>
<td>0.2013*** (0.0343)</td>
</tr>
<tr>
<td>Category 2 states compared to</td>
<td>-</td>
<td>0.0437*** (0.0154)</td>
<td>0.2137*** (0.0324)</td>
<td>0.2772*** (0.0298)</td>
</tr>
<tr>
<td>Category 3 states compared to</td>
<td>-</td>
<td>-</td>
<td>0.1699*** (0.0281)</td>
<td>0.2334*** (0.0317)</td>
</tr>
<tr>
<td>Category 4 states compared to</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0635*** (0.0187)</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses
***significant at the 1% level; **significant at the 5% level; *significant at the 10% level

At first glance, the finding regarding Category 1 states is both anomalous and puzzling. The hypothesized relationship between proceduralism and caseload decline should occur across all categories. In order to look more closely at this problem, a second set of analyses compares the relationship of caseload decline and procedural exits over two different time periods, in which there is substantial variation in the degree of caseload decline. This analysis provides an opportunity to consider whether differences in the magnitude of caseload decline relate to procedural exits.

Nationally, caseload reduction was greatest in the first years of TANF implementation. Some studies have shown that individuals leaving welfare relatively soon after the implementation of policy reforms were less disadvantaged than later leavers (Cancian et al, 2000; Institute for Public Affairs and School of Social Work, University of Illinois, 2000; Loprest and Zedlewski, 2006). This is consistent with the notion that the most “work ready” claimants left welfare earlier on.

It has been theorized elsewhere that administrative mechanisms of restrictiveness may be relatively more important when other approaches are less viable (Brodkin, 1986). That is, as formal policy and provision of work supports become less

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effective in reaching a caseload increasingly comprised of more deeply disadvantaged claimants, administrative means of caseload reduction should become increasingly important. If this were the case, one would expect bureaucratic proceduralism to play a more important role in the second time period and, arguably, thereafter. A comparison of the two time periods sheds light on the question of whether bureaucratic proceduralism increased in salience after the steepest caseload decline occurred.

Indeed, leavers surveyed in the 2002 round of the NSAF were more likely to attribute exit to procedural reasons than those in the prior survey round (Majmundar, 2007). This raises the question of whether caseload decline was more strongly associated with proceduralism in the 2002 survey period than in the 1999 survey period. Limited inter-period variation in caseload change suggests that insight into this issue could most plausibly be gained by running separate regressions for the 1999 and 2002 survey rounds (despite smaller sample sizes and an absence of state dummies).

The comparative analysis (see Table 2) shows that there is a difference in the salience of bureaucratic proceduralism in the two time periods. Proceduralism is more strongly associated with caseload decline after the initial period of sharp reductions. The two-category caseload reduction specification is strongly significant for the second (2002) period, but for the first (1999) survey round. The results of the three-category specification also appear to be stronger for the 2002 round than the 1999 one. The relationship is significant when comparing the highest and lowest categories of caseload reduction, but does not achieve significance when comparing intermediate categories. These results are not strong enough to be definitive. However, they do suggest that proceduralism was relatively – as opposed to absolutely – more important in the second period of more modest caseload reduction than in the first period of steep decline.

Table 2: Impact of TANF Caseload Reduction on Procedural Exit (1999 and 2002 Survey Rounds Separately)

<table>
<thead>
<tr>
<th></th>
<th>1999 survey round: PE (1) vs. NPE (0)</th>
<th>2002 survey round: PE (1) vs. NPE (0)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Y = 0.1178; n = 694)</td>
<td>(Y = 0.1291; n = 571)</td>
</tr>
<tr>
<td><strong>Two category specification</strong></td>
<td>(R² = 0.0166)</td>
<td>(R² = 0.0802)</td>
</tr>
<tr>
<td>Category 1 states compared to Category 2 states</td>
<td>0.0120 (0.0126)</td>
<td>0.0957*** (0.0290)</td>
</tr>
<tr>
<td><strong>Three category specification</strong></td>
<td>(R² = 0.0172)</td>
<td>(R² = 0.0824)</td>
</tr>
<tr>
<td>Category 1 states compared to Category 2 states</td>
<td>-0.0214 (0.0172)</td>
<td>0.0537* (0.0447)</td>
</tr>
<tr>
<td>Category 1 states compared to Category 3 states</td>
<td>-0.0012 (0.0187)</td>
<td>0.1141*** (0.0313)</td>
</tr>
<tr>
<td>Category 2 states compared to Category 3 states</td>
<td>0.0202* (0.0122)</td>
<td>0.0603 (0.0451)</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses
***significant at the 1% level; **significant at the 5% level; *significant at the 10% level

These period effects are intriguing. It was beyond the scope of this analysis to provide a credible estimate of what caseload reduction would have looked like in the absence of de facto administrative biases. However, it is consistent with the theorized function of bureaucratic proceduralism for it to have greater significance when other means of achieving caseload decline began to reach their limits. This suggests that the
salience of bureaucratic proceduralism could increase in future periods of relatively low and stagnant caseloads or if caseloads begin to climb again. As will be discussed in the final section, proceduralism is apt to grow in significance as a result of 2005 Deficit Reduction Act reauthorizing TANF and intensifying pressures for additional caseload reduction.

**Analysis II. Proceduralism and Subgroup Effects**

There is more to bureaucratic proceduralism than its aggregate effects on access to benefits. As discussed, street-level theory and empirical evidence also point to the importance of considering whether informal organizational practices had distributive effects, skewing access to benefits in ways not consistent with formal, categorical considerations. If bureaucratic proceduralism increases organizationally-imposed costs to claimsmaking, it is not necessarily the case that it does so uniformly or that claimants are equally able to bear these costs, regardless of their interest or willingness to do so. This analysis investigates whether proceduralism had differential effects among differently situated subgroups of welfare claimants, rationing access according to socio-economic characteristics associated with disadvantage, race, and ethnicity.

Socio-economic characteristics indicative of disadvantage are theoretically relevant to this analysis, not only as a marker of inequality, but also as an indicator of the capacity to manage claimsmaking procedures (what might be termed "administrative disadvantage"). The empirical analysis uses several common indicators of disadvantage, including having dropped out of high school, living in deep poverty (below 50 percent of the poverty line), and living in moderate poverty (below the poverty line but not in deep poverty). Marital status is a relevant proxy for disadvantage, as never-married mothers are more likely to come from disadvantaged backgrounds and have less schooling, lower levels of income, and weaker support systems ( McLanahan and Sandefur, 1994; Bureau of the Census, 1997; London, 1986). As previously discussed, proceduralism may be mediated by race and ethnicity, which are represented by variables indicating whether respondents identified themselves as Black, Hispanic, or "other minority." Because there is such a small number of men in the welfare sample, gender is not treated as a separate analytic category; but a control variable for gender is included in the regression.

A comparative analysis of procedural exits (PE) and non-procedural exits (NPE) must take account of the fact that leavers may exit by choice. They may choose exit if they recognize they are no longer categorically eligible or if they are unwilling to "pay" procedural costs. The latter may be an informed choice, recognizing a change in categorical status, or it might be a choice made on the basis of an implicit cost-benefit assessment in which procedural costs outweigh benefits.

In this analysis, it is the difference between PE and NPE that is relevant. If bureaucratic proceduralism sorts claimants according to a metric that is different from one of categorical eligibility or choice, then one would expect to see systematic differences in the characteristics of leavers exiting for procedural as opposed to non-procedural reasons. Moreover, if proceduralism drives exits by increasing costs beyond the capacity of some to pay or increases them differentially across subgroups, then one would expect systematic differences to occur along those lines. Alternatively, if administrative practices are unbiased and procedural requirements equally applied,
then procedural and non-procedural leavers should not be distinguishable by degree of disadvantage, race, or ethnicity.

This analysis is complicated by the possibility that there might be unobserved differences between the two types of leavers (PE and NPE), differences associated, not with capacity, but with behavior. Behavioral attributions about the poor are deeply-contested in the welfare and poverty literature, with some arguing that welfare recipients are inherently "different" and others that they are not different but are subject to differences in context and opportunity (Handler and Hasenfeld, 1991; Katz, 1989; Mead, 1986; Wilson, 1987). Regardless of the much-contested validity of the behavioral view, it seemed useful to devise an analytic strategy that might address this concern. Generally, analyses that adopt a behavioral explanation for poverty treat non-work as evidence of a behavioral deficiency arguably linked to "noncompliance" with rules. This empirical analysis, therefore, uses work status as a control variable for unobserved behavioral differences.

The empirical analysis of welfare exits and individual characteristics includes all three NSAF survey rounds, clustered at the state level. Non-focal state observations from the balance of the country were clustered together. The dependent variable is the probability that a welfare exit was procedural rather than non-procedural. The independent variables (all dichotomous) are: high school dropout (without GED), never-married, moderate poverty, deep poverty, Black, Hispanic, other minority, gender, work status, and year dummies for two of the three survey rounds.

Findings. The empirical results indicate that proceduralism did have distributive effects, biased with regard to characteristics associated with disadvantage and capacity. The probability of procedural exit was greater for claimants who were high school dropouts, never-married, and in deep poverty. (See Table 3.) While individual characteristics associated with disadvantage and capacity were related to procedural exits, there was a weaker relationship to ethnicity and none to race. The analysis shows that Hispanics were somewhat more likely leave welfare for procedural, rather than non-procedural, reasons. It does not show significant effects for race.

These findings are consistent with the hypothesis advanced in the previous section that bureaucratic proceduralism may function to reduce welfare participation, independent of categorical eligibility and need. They also are consistent with the hypothesis that this bias cannot entirely be explained by behavioral differences among subgroups of claimants, as the analysis used work status to control (at least to some nontrivial extent) for unobserved behavioral differences that might also be related to disadvantage. To the extent that these findings demonstrate an informal organizational bias against more disadvantaged claimants, one might regard bureaucratic proceduralism as operating at cross-purposes with equitable administration and distributive principles of need.
### Table 3: Individual Characteristics and AFDC/TANF Procedural Exit vs. Non-Procedural Exit

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Coefficient (Std. Err.)</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>dropout</td>
<td>0.0652*** (0.0208)</td>
<td>***</td>
</tr>
<tr>
<td>never-married</td>
<td>0.0707*** (0.0131)</td>
<td>***</td>
</tr>
<tr>
<td>moderate poverty</td>
<td>-0.0071 (0.0158)</td>
<td></td>
</tr>
<tr>
<td>deep poverty</td>
<td>0.0283*** (0.0084)</td>
<td>***</td>
</tr>
<tr>
<td>working</td>
<td>-0.1408*** (0.0396)</td>
<td>***</td>
</tr>
<tr>
<td>Black</td>
<td>0.0320 (0.0280)</td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>0.0314* (0.0160)</td>
<td>*</td>
</tr>
<tr>
<td>other minority</td>
<td>-0.0451 (0.0623)</td>
<td></td>
</tr>
<tr>
<td>female</td>
<td>0.0063 (0.0131)</td>
<td></td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses

***significant at the 1% level; **significant at the 5% level; *significant at the 10% level

This does not necessarily mean that the overall impact of administrative practice is to deny benefits to the very neediest and least advantaged claimants. The comparative analytic strategy applied here focused exclusively on the differences between procedural and non-procedural leavers. An analysis comparing procedural leavers and program stayers found that procedural leavers were more likely than stayers to be never-married but less likely to be in deep poverty (Majmundar, 2007). This is consistent with utilization studies which have found that non-participants are generally more advantaged than participants (Blank and Ruggles, 1996; Zedlewski, 2002). These analyses, however, do not disentangle personal choices from administrative constraints. The express purpose of this study is to examine the impact of organizational rules and informal practices. Although the situation undoubtedly would be worse if program leavers were less advantaged than program stayers, the status quo – which reflects the gatekeeping effects of proceduralism – nevertheless may be suboptimal from the vantage points of individual material well-being and equitable program administration.\(^{18}\)

The difference between “glass half-full” and “glass half-empty” interpretations of program nonparticipation requires a better understanding of the administrative dimension of non-participation. Although “choice” is important, organizational practices also may restrict participation by effectively raising the costs beyond the capacity of interested and potentially eligible claimants to "pay."

**Assessing the Implications of Proceduralism**

Organizational research on social policy delivery clearly demonstrates that administration matters. How it matters and to whom has proved more difficult to investigate, particularly when it comes to relating systematic outcomes to street-level
practices that are highly discretionary and lack transparency. This study has advanced a formal analytic approach to investigating the relationship between bureaucratic proceduralism, which takes place in the interstices between formal rules and informal discretion, and outcomes, specifically, access to welfare benefits. Focusing on the organizational side of claims making, it raises questions about practices that have been theorized to effectively raise the cost of claiming, producing rationing and a selective bias toward exclusion of certain subgroups. This analysis puts these theorized relationships to an empirical test, using nationally representative data on welfare leavers.

First, the analysis suggests that bureaucratic proceduralism was a contributing factor in state TANF caseload decline. Its significance increased after the steepest, initial caseload reductions occurred. This is consistent with the hypothesis that administrative strategies assume greater importance when other, more direct mechanisms for reducing welfare use are less feasible (Brodkin, 1986). Administrative strategies, while indirect, may have significant effects, a possibility that has not been entirely lost on policymakers (Nathan, 1983; Randall, 1979). However, the findings of this study do not rest on an assumption of political intent. Although organizations may function as if higher level preferences were singular and directly hierarchical modes of control were in place, more often street-level organizations produce patterned outcomes through “apparently unsystematic and uncoordinated bureaucratic behaviors” (Brodkin, 1986, p. 20).

This analysis takes account of discretion, examining it in the specific context of organizational incentives and performance measures thought to bias the exercise of discretion in systematic, even if unanticipated, ways. TANF policy effectively rewarded states for reducing their caseloads by any means other than explicit policy restrictions. In that context, and absent countervailing pressures or penalties for wrongful exclusion, bureaucratic proceduralism became an instrument for achieving caseload decline.19

Second, the analysis takes account of differences in the ways that organizational processes and subgroups of claimants interact. It theorizes that procedural costs and individual capacity to meet them will vary with socio-economic characteristics as well as race and ethnicity. The empirical analysis indicates that bureaucratic proceduralism did have differential effects on differently-situated subgroups of claimants. Claimants with socio-economic characteristics associated with disadvantage, including characteristics that one may associate with administrative disadvantage, were more likely to leave welfare for procedural reasons ostensibly unrelated to substantive eligibility or need. The findings on race and ethnicity are less clear. The analysis shows that Hispanic claimants were differentially impacted by proceduralism, but the effects were less strong than those for socio-economic characteristics. Contrary to expectation, the analysis did not show a racial bias to proceduralism.

If, as hypothesized, successful claims making is a function of both procedural costs and capacity to meet them, one might interpret these findings as giving somewhat more salience to the capacity side of the equation. That might partially explain why socio-economic characteristics were more strongly related to procedural exits than ethnicity and why there was no relationship to race.20 However, this interpretation is called into doubt by a parallel analysis of proceduralism in the Food Stamp program. Using the same survey data and similar methodology, it found strong and negative
differential effects for both Blacks and Hispanics (Majmundar, 2007). To the extent that there are differences in the practices of these two benefits program, they merit further examination.

In the case of welfare administration, this analysis suggests that administrative practices have not been neutral with respect to access, but have moved in the direction of prohibition rather than prudence. Moreover, organizational practices appear to have produced — arguably reproduced — inequality among claimants, based not on their interests or eligibility for benefits, but on their procedural acuity. These findings offer a sober reminder that discretion and policy complexity continue to constitute a dangerous mix when it comes to the administration of public benefits. Simplification, which at one time was the watchword for administrative reform, has given way to increased complexity and discretion. This creates an environment in which bureaucratic proceduralism can flourish.

This analysis also shows that the balance between prudence and prohibition can shift, not only with changing policy agendas, but also with changes in management and governance. Organizational practice is likely to be unbalanced if managerial attention is unbalanced, with performance monitoring and financial rewards focused on caseload reduction and work quotas but not similarly attentive to wrongful exclusion or participant well-being. This problem is not only managerial; it is also political. It is manifestly political in that provisions regarding performance and policy complexity were written into the law itself. It is indirectly political in that informal organizational practices have systematic exclusionary effects, extending beyond the formal provisions of law.

Bureaucratic proceduralism may grow in significance as new administrative provisions incorporated in the Deficit Reduction Act of 2005 (DRA) are implemented. The 2005 law set work participation quotas at 50 percent for one-parent households and 90 percent for two-parent households receiving assistance. DRA regulations also are more demanding and more restrictive than those previously in effect in how they define what "counts" toward meeting these work participation quotas. Perhaps most important, the DRA eliminated the caseload reduction credits that states had obtained in recent years, credits which had reduced the pressures of work participation quotas and incentives to continue to cut caseloads. The Congressional Research Service estimated that in 2007, without credit for prior caseload decline, forty-seven states would fall short of meeting their quotas, sixteen by at least 50 percent.

Together, these provisions are likely to intensify pressure on states to find ways to either move claimants into work activities or off welfare, pressures similar to or even stronger than those experienced at the outset of welfare reform in 1997. These pressures could be exacerbated if, as expected, economic conditions are less favorable to lower-wage workers than during the "boom" years of the late 1990s. Absent countervailing incentives to assure access and administrative accountability, one would assess conditions as ripe for bureaucratic proceduralism to become even more salient than in the period of this study.

Beyond its policy implications, this inquiry highlights a type of informal legalism that is broadly at issue in socio-legal studies, particularly in research on welfare law (Adler, 2006; Diller, 2000; Felstiner, Abel, and Sarat, 1980-81; Handler, 1986; Mashaw, 1974; Simon, 1983). The exclusionary effects discussed here occurred, not simply as a direct function of law, but as an indirect consequence of changes in law and
administration occurring within particular organizational context. Neither organizational practices nor their effects were explicit or transparent. This makes bureaucratic proceduralism normatively and politically problematic. It is one thing to argue that welfare policy should be designed to have a deterrent effect. But it is another to advance *de facto* deterrence through informal administrative means that are largely obscure and thus not readily subject to political contestation or even administrative redress (Brodkin, 1986; Brodkin and Kaufman, 2000).

From the organizational perspective developed here, agency processes and informal street-level practices can be understood as effectively constitutive of administrative justice. In his classic study of legalism in the administration of worker's compensation, Nonet observed that: "We speak of 'legalism' when insistence on legal rules or modes of reasoning tends to frustrate the purposes of public policy" (Nonet 1969, p. 265). Similarly, it might be said that one speaks of “bureaucratic proceduralism” when insistence on bureaucratic rules or modes of reasoning frustrate the purposes of public policy and equality under the law.

Organizations operate as the gateway to public benefits. This study illuminates the importance of accounting for the interaction between organizationally-imposed costs (whether formal or informal) and claimant capacity. This interaction is critical in determining how accessible benefits will be and to whom. When bureaucratic proceduralism frustrates access to benefits and excludes those who, in effect, are administratively disadvantaged, then policy effectiveness, administrative justice, and political accountability all suffer.
References


Bennett, S. (1995). 'No relief but upon the terms of coming into the house' – Controlled spaces, invisible disentitlements, and homelessness in an urban shelter system. *Yale Law Journal, 104*(8), 2157-2212.


Endnotes

1 Among its key provisions, TANF:
• ended the federal guarantee of income support and placed a lifetime 5-year limit on assistance;
• imposed work requirements as a condition for receiving assistance. It required adults to participate in welfare-to-work activities within no more than two years of receiving assistance, but permitted states to set tougher standards (as many did);
• capped federal expenditures within a $16 billion block grant, but it also gave states increased discretion in using federal funds;
• was linked to companion legislation that provided $2.3 billion to help subsidize child care for working mothers and $3 billion in a two-year block grant for welfare-to-work programs.

2 For example, under TANF’s devolved policymaking structure, states were permitted to shorten the time adults could receive cash aid without work participation. Federal law required work within two years of receiving aid. But most states required work within one year, some required immediate work, and others demanded a month of job search before they even would begin to process an application for assistance. In addition, states could limit exemptions from work requirements. Most states permitted an exemption only for mothers with babies under one year old, and some eliminated exemptions altogether. States also could reduce the five-year federal time limit for receiving assistance. In nineteen states, lifetime limits for welfare receipt were set below the federal maximum of sixty months. Beyond that, states have leeway to add categorical eligibility restrictions, such as family caps that precluded cash assistance for babies born to mothers already receiving welfare.

3 Under TANF, states could receive fiscal rewards (bonuses) for caseload reduction and fiscal penalties (reduced federal payments) for failing to meet participation rates. By the five year mark, performance standards required that 50 percent of adult welfare recipients in single-parent households participate in welfare-to-work activities for 35 hours per week. It also required that 90 percent of adults in two-parent families participate in welfare-to-work activities for 30 hours per week. The law also specified the kinds of activities that would “count” toward meeting these quotas: paid work, job search, unpaid workfare (in which recipients “worked off” their welfare benefits at minimum wage or provided child care for other welfare recipients). It limited the use of education and vocational training as “countable” activities to meet participation quotas.

4 Although there is a “maintenance of effort” requirement, state may transfer up to 30 percent of their TANF funds to the Social Services Block Grant and the Child Care Development Fund. This provision has produced a dramatic shift in state welfare spending from cash payments to services and, importantly, may have freed up state resources for other purposes (GAO, 2002b; GAO, 2001).

5 The actual all-family work participation rates required for the NSAF focal states in FY 2000 were: 8 percent for California, 9 percent for Minnesota, 5 percent for New York, 2 percent for Washington, and 0 percent for Alabama, Colorado, Florida, Massachusetts, Michigan, Mississippi, New Jersey, Texas, and Wisconsin. These rates were made possible by the caseload reduction credit and were considerably lower than the 40 percent rate that otherwise would have been required (GAO, 2002a).

6 Although there is variation across states, most studies show sanctioning rates of under five percent.

7 The thirteen focal states are: Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin. This study uses a state-level survey weight when the intra-state representativeness of the sample is important to the analysis and a national-level survey weight when it is not.

8 In other words, respondents who said that they or their children were currently receiving welfare benefits, but also said that they had either left or been cut off from welfare (for more than month) since the January two years prior, are excluded from the analysis.

9 The respondents were initially asked whether they had stopped receiving welfare benefits for more than one month since the January two years prior. Respondents who indicated that they had stopped receiving benefits were asked whether the welfare office cut them off or whether it was their decision to leave welfare. Respondents who said that the welfare office cut them off were asked why the welfare office cut them off, while respondents who said that it was their decision to leave welfare were asked why they left welfare.

10 Multiple procedural responses were coded as a single procedural exit and multiple non-procedural responses were coded as a single non-procedural exit. Respondents who provided both procedural and
non-procedural answers were coded as a procedural exit. Respondents whose answers were recorded as “Unclassifiable” and who did not provide any other procedural or non-procedural responses are excluded from the analysis.  
11 See Majmundar, 2007 for further discussion.  
12 The empirical analyses relating to TANF caseload decline use data only from the 1999 and 2002 NSAF survey rounds in order to exclude responses that preceded the implementation of TANF.  
14 The results from Table 1 were generally robust to the exclusion of state dummies (which were jointly statistically significant).  
15 “Other minority” is included in order to establish “White” as the reference category for “Black” and “Hispanic.” The sample size of “other minority” is arguably too small, and its composition too heterogeneous, for its regression coefficients to be analytically useful or meaningful.  
16 Although the 1997 and 1999 survey rounds contain information about the language in which the interview with the respondent was conducted, the 2002 round does not. Of the AFDC/TANF sample – that is, those who were AFDC/TANF recipients or leavers - 4.31% of the interviews were conducted in Spanish rather than English. 19% of the welfare sample (excluding the 2002 round) was Hispanic.  
17 See Majmundar, 2007 for a discussion of potential estimation biases in the demographic analysis due to, first, the subjectivity of claimant perceptions of administrative encounters and the possibility that these perceptions may be systematically skewed along demographic lines, and, second, erroneous agency determinations of claimant categorical eligibility that are non-random with respect to demographic characteristics of claimants. The first kind of bias actually may end up understating the effects of bureaucratic proceduralism. It is more difficult to make an informed prediction about the probable impact of the second kind of bias.  
18 One of the studies which found nonparticipants to be generally better off than participants went on to say that a significant portion of “single nonparticipating parents would gain significant income and services by enrolling in TANF. Many of these families are poor and have significant barriers to employment…Surely, many of these parents would benefit from the added TANF income and TANF job-related services” (Zedlewski 2002, pp. 2, 6).  
19 Generally, claimants have been limited in their ability to mount effective challenges to systematic practices. There is considerable evidence suggesting ways in which incipient individual challenges may be diverted, deferred, or repressed in routine street-level practice (Brodkin 1997; Bruinsma 1980; Felstiner, Abel, and Sarat 1980-81; Miller 1983; Soss 2000). Research also suggests that the formal fair hearings process may be more useful in addressing individual complaints than as a counterweight to systemic bias. There is evidence that, even at the individual level, they may be underutilized (Handler and Hollingsworth 1971; Lens and Vorsanger, 2005) But even when they are, fair hearing decisions have no precedential value. Furthermore, at the individual casework level there are no penalties for wrongful practice.  
20 Recent, intriguing research suggests that race may play out in extraordinarily complex ways in welfare delivery, with a shared racial affinity between caseworkers and claimants arguably being less important than the structural conflict of interest between street-level bureaucrats and their clients (Watkins-Hayes, 2006).