Administrative Exclusion: Organizations and the Hidden Costs of Welfare Claiming

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ABSTRACT

Organizations operate as the gateway to public benefits. They are formally authorized to adjudicate claims, in the process interpreting and applying eligibility rules. Beyond their designated role, they also operate as informal gatekeepers, developing modes of operation that affect the ease or difficulty of claiming. Operational practices—both formally prescribed and informally created—can add hidden costs to claiming to the extent that they are complicated, confusing, or cumbersome. Individuals implicitly recognize these costs when they complain of being “tied up in red tape” or given the “bureaucratic run around.” This inquiry examines whether these types of hidden organizational costs can have systematic effects, resulting in administrative exclusion—that is, nonparticipation attributable to organizational factors rather than claimant preferences or eligibility status.

Organizations operate as the gateway to public benefits. They are formally authorized to adjudicate claims, interpreting and applying eligibility rules in the process. Beyond their designated role, they also operate as informal gatekeepers, developing modes of operation that affect the ease or difficulty of the claiming process. To the extent that organizational practices—both formally prescribed and informally created—are complicated, confusing, or cumbersome, they can add hidden costs to claiming, in some cases raising costs beyond the capacity of individuals to “pay.”

This inquiry examines whether hidden organizational costs have systematic effects, resulting in administrative exclusion—that is, nonparticipation attributable to organizational factors rather than claimant preferences or substantive eligibility status. It addresses two key questions: First, did administrative exclusion contribute to the decline in Temporary Assistance to Needy Families (TANF) caseloads? Second, was administrative exclusion general in its effects, or did it have unequal effects for subgroups of welfare leavers, depending on their socioeconomic status, race, or ethnicity? We present a formal linear

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probability model of administrative exclusion using nationally representative data on welfare leavers from the National Survey of America’s Families (NSAF).

The potential scope of the problem is suggested by studies indicating that as many as half of those estimated to be eligible for welfare benefits (Zedlewski, 2002) and some 35% of individuals estimated to be eligible for Food Stamps do not receive them (Food and Nutrition Service, 2007). However, these studies are unable to distinguish nonparticipation as a matter of individual preference from unwanted exclusion that results from organizational practices. Studies that make estimates of “stigma” and “transaction costs” do not focus directly on the role of organizational practices. As Currie (2004, 28) observed in her review of the utilization literature, “Historically, economists have paid much attention to rules about eligibility and virtually no attention to how these rules are enforced or made known to participants.”

This inquiry puts organizations first. It builds on and extends the insights of street-level bureaucracy theory (Lipsky, 1980), recognizing that organizations do more than simply “apply the law.” They also engage in informal and discretionary practices that effectively “make the law,” essentially constituting an “extralegal” mode of determining “who gets what and how.”¹ Thus, organizational practices are central to understanding access to benefits and, its antithesis, exclusion. It should be noted that this analysis does not depend on an assumption that administrative exclusion is necessarily intentional, a product of ill will or ideology. Nor does it exclude that possibility.

This article first considers administrative exclusion as a general concern, offering an analytic framework that shows how formal rules, modes of governance, and informal practices interact to create exclusion. Next, we examine the problem of administrative exclusion through an empirical analysis of welfare claiming. The analysis addresses two key questions:

- Did administrative exclusion contribute to the decline in TANF caseloads?
- Was administrative exclusion general in its effects, or did it have unequal effects for subgroups of welfare leavers, depending on their socioeconomic status, race, or ethnicity?

It presents a formal empirical model using data from the NSAF on exits from the TANF and Aid to Families with Dependent Children (AFDC) programs. The data permit generalization at the national level and across different time periods (from 1995 to 2002).

The analytic findings indicate that administrative exclusion contributed to caseload decline, most significantly after the first round of deep reductions had been effected. They also show that the costs of claiming were unequally distributed across subgroups, with some groups more likely than others to be administratively disadvantaged. In the concluding section of this article, we discuss the implications of these findings for welfare management and research, and for administrative justice, more broadly.

**WHAT IS THE PROBLEM OF ADMINISTRATIVE EXCLUSION?**

Administrative exclusion occurs when organizational practices (both formally prescribed and informally created), rather than substantive status or individual preference, affect

¹ We borrow here from Lasswell’s (1936) classic definition of politics.
participation in public programs. An illustration comes from the case records of a Chicago research study:  

Ms. Garcia, a part-time, low-wage worker, received TANF and Food Stamps. When her benefits were unexpectedly cancelled, she contacted her caseworker and was informed that documents verifying her work record and earnings were missing from her case file and presumed lost. Ms. Garcia submitted replacement copies, as requested.

When her benefits were not restored, she called the Public Benefits Hotline, a legal advocacy service for Chicago-area residents. A Hotline advocate took the case, making repeated phone calls and leaving messages over an eight-day period. When the advocate finally reached the caseworker, she said she could not help. The advocate then tried to contact a supervisor, making seven phone calls over two days. The supervisor acknowledged and promised to correct the error, but benefits did not resume.

The advocate again made repeated attempts to reach the supervisor, succeeding after six days. The supervisor did not know why benefits had not resumed. The advocate then personally walked the supervisor through the complex process for correcting errors in the computer record. Two days later—nearly three weeks after Ms. Garcia lost her welfare and food stamp benefits—her eligibility was restored.

This case example is illustrative, not because it is in any way exceptional or dramatic. Rather, it is an ordinary story of an effort to retain welfare benefits that became tangled up in administrative red tape, confusion, and disorganization. If anything is unusual about this case, it is that the claimant was able to secure professional help when she could not resolve the problem herself.

This example was one of many types of problems reported in a study examining more than 1,500 case records documenting administrative difficulties impeding access to benefits in Chicago (Brodkin, Fuqua, and Waxman, 2005). These problems resulted in more than mere annoyance—they were also implicated in caseload reduction. Although these findings were limited by time and location, they were consistent with a growing body of research, suggesting that administrative exclusion might be a matter of general concern. Our analysis builds on this body of research, considering administrative exclusion as an organizational problem and subjecting it to formal empirical examination.

AN ORGANIZATIONAL APPROACH

The organizational approach adopted in this study is grounded in the theoretical literature on implementation and street-level bureaucracies. A central premise is that social policies are not self-executing but depend on organizational practices for their production. The

2 This case is drawn from the Public Benefits Hotline Research Project, a Chicago study examining the records of a legal advocacy project operated by the Legal Assistance Foundation of Metropolitan Chicago and the Sargent Shriver National Center on Poverty Law (Brodkin, Fuqua, and Waxman, 2005). The names of individual claimants and agency staff were changed to protect the anonymity of claimants.

3 We use the term “red tape” in the colloquial sense to refer to rules and procedures that increase the burden of claiming. Invocation of the term is intended to reference the common experience of hassle, frustration, and confusion that lays behind the more technical language of claiming costs used in this analysis. We recognize that there is a substantial academic literature on red tape, which offers various ways of conceptualizing, operationalizing, and measuring red tape as a bureaucratic phenomenon. (For an excellent review of this literature, see Pandey and Scott, 2002.)
practices at issue here occur at the intersection of formal rules that set explicit criteria for claiming, modes of governance that indirectly influence organizational behavior, and informal activities through which staff interact with claimants and process their claims. The probability of exclusion is a function of the degree to which organizational practices (both formally prescribed and informally created) impose costs on claiming and interact with claimant circumstances and their capacity to pay those costs. We will discuss each of these elements and how they interact.

Formal Rules

Formal rules affect the cost of claiming by setting simpler or more difficult standards for proving and maintaining eligibility. Processing rules may be quite extensive, requiring numerous appointments at welfare offices and presentation of various documents verifying eligibility (including income, household composition, employment, and so forth). The “costs” of verification increase when claimants are required to obtain documents from agencies or individuals beyond their personal control, among them, schools, landlords, employers (including prospective employers who rejected them for jobs), and physicians. They also increase with the number and frequency of appointments required.

Insights into the relationship between procedural requirements and claiming can be drawn from studies examining the effects of selected procedures. For example, researchers found a marked decline in welfare participation among apparently eligible claimants after implementation of a procedural change requiring monthly, rather than semiannual, verification of eligibility (Casey and Mannix, 1986; Price, 1981). Another study found that some 27% of case closings could be attributed to documentation problems rather than to substantive ineligibility (Bennett, 1995).

Informal Practices

Beyond formal rules, informal practices also may add to the costs of claiming but in ways that are more difficult to observe and to calculate. Analytically, it is useful to regard formal eligibility criteria as creating space for discretion when they require judgment in their execution and when they are too complex to be reduced to a rote set of practices. For example, TANF caseworkers routinely make discretionary judgments when they determine what constitutes sufficient proof of eligibility (e.g., is a note from a landlord adequate in lieu of formal documentation).

The relative contribution of formally and informally imposed costs need not be disentangled in order to assess the effects of organizational practices on claiming nor, arguably, would it be feasible to do so. What is of interest is whether organizational practices that emerge out of the interaction between formal rules and informal behavior produce exclusion.

Reviewers found that, of the 108,356 cases closed from June 1988 through May 1989, 29,053 were closed for otherwise eligible families for reasons of “noncooperation,” such as failure to verify earned income or failure to return forms. “[An] additional 10,180 cases were closed because recertification notices were returned marked as addressee unknown. (As the Legal Aid Bureau pointed out, some recipients live in substandard housing without mailboxes.)” (Bennett, 1995, 2181).

Informal practices and their consequences have been explored in a variety of studies, largely qualitative, that show welfare agencies as prototypical “street-level bureaucracies” where conditions are ripe for discretion to flourish outside managerial control and visibility (Bennett, 1995; Brodkin, 1997, 2006; Handler and Hollingsworth, 1971; Lipsky, 1980; Lurie, 2006; Maynard-Moody and Musheno, 2003; Meyers, Glaser, and MacDonald, 1998; Morgen, 2001; Riccucci et al. 2004; Sandfort, 2000; Soss, 2000; Soss, Schram, and Fording, 2005) and claimants have limited recourse (Brodkin, 1997, Lens and Vorsanger, 2005).
of a formal rent receipt or cancelled check?), whether individuals have genuinely attempted
to comply with processing demands (e.g., did they refuse to appear for a scheduled appoint-
ment or did the appointment notice fail to arrive in the mail on time?), and whether claim-
ants have acted in “good faith” in responding to various requirements (e.g., did they show
up for work only to be told their hours had been cut back, or did they refuse to work?).

To the extent that policy is prescriptive with respect to formal eligibility criteria, casework-
ers may have limited discretion to make judgments based on need or deservingness.
However, this has led some analysts to miss the extent to which caseworkers retain
procedural discretion, using their judgment in both authorized and unauthorized ways
(including in error) that affect the cost of claiming. Caseworkers exercise what we term
procedural discretion when they demand face-to-face meetings beyond those required
by regulation, set appointment times without regard to claimant circumstances (such as
pickup schedules for school children), or schedule multiple claimants simultaneously,
producing long waiting times at welfare offices.

Procedural discretion increases claiming costs in other ways, for example, when case-
workers misunderstand and/or misapply rules in disadvantageous way, lose documents
and require resubmission, or do not return telephone calls for claimants with questions
or problems (Bennett, 1995; Blasi, 1987–88; Brodkin, 1986, 1997; Brodkin, Fuqua, and
Waxman, 2005; Dehavenon, 1989–1990; Etheridge and Percy, 1993; Meyers, Glaser,
and MacDonald, 1998; Pawasarat, Quinn, and Stetzer, 1992; Sandfort, 2000; Soss,
2000; U.S. DHHS, 1999; Wilson, 1989). In these and other ways that have been exhaus-
tively documented, there is substantial space for discretion that affects the cost of claiming.

The Role of Governance

Although discretion is more extensive than some analysts allow, this does not mean that it is
either random or unbounded. Caseworkers respond not only to legal dictates but also to
conditions of work (including constraints on time and resources) and features of gover-
nance that systematically, if imperfectly and indirectly, shape how they do their jobs
and wield the rules. Significantly, discretion may be influenced, although not eliminated,
by features of governance and management. The relationship between performance incen-
tives and practices, although indirect, can be pervasive and powerful as a variety of studies
have shown (Bendick, Lavine, and Campbell, 1978; Brodkin, 1986, 1997, 2006; Casey and
Mannix, 1986, 1989; Hasenfeld and Powell, 2004; McDonald and Marston, 2002; Meyers,

The 1996 TANF law increased room for discretionary practice but also instituted sig-
nificant changes in governance that altered the conditions under which discretion would be
exercised. Among the most debated features of TANF were those involving changes in
formal categorical rules, notably the establishment of time-limited benefits and a complex
set of work requirements. Less well recognized was the fact that complicated work require-
ments, irrespective of their substantive intent, added a new layer of procedural steps—and
procedural discretion—to welfare claiming (Diller, 2000; U.S. GAO, 2000).

7 Bane and Ellwood (1994) popularized the conception of welfare casework as an “eligibility and compliance”
culture, lacking sufficient discretion to promote work. This portrayal implied broadly constrained discretion,
misunderstanding the multiple and complex ways in which discretion remained a major element of street-level work.
Several changes in governance had implications potentially affecting practices associated with administrative exclusion. First, devolution broadened state discretion in welfare policy and administration and allowed variation in rules and procedural requirements that could be more demanding than federal law itself required. Second, devolution was coupled with changes in federal financing, changes that altered the structure of incentives within which states exercised discretion. For example, the law changed the structure for federal financing of state welfare costs, shifting from an open-ended entitlement to a fixed block grant. States could build up reserves of unspent TANF funds and transfer funds from benefits to other state social service programs (U.S. GAO, 1998, 2001, 2002b). Under this arrangement, states were no worse off, and arguably better off, when their caseloads fell.

Third, the TANF statute introduced performance measures that created incentives for caseload reduction. TANF set participation quotas for recipients engaged in so-called “work activities” and attached federal payment reductions to failure to meet these quotas. States could reduce their participation quotas by cutting caseloads, although only to the extent that caseload cuts were not directly attributable to changes in formal eligibility standards. In effect, reducing caseloads enabled states to lower their work participation quotas.8 This not only reduced the threat of federal payment reductions but also potentially reduced state expenses in providing work-related support services for participants that were required by law (Mermin and Steuerle, 1997; U.S. GAO, 2002a).

Together, these complicated features of TANF governance, coupled with direct bonuses for caseload reduction, created multiple incentives for driving caseloads down. But they did not distinguish reductions achieved through programmatic efforts that improved the well-being of recipients from reductions achieved through administrative means that diminished access to benefits irrespective of categorical eligibility. Arguably, these governance provisions were designed to encourage good programmatic practices and administrative prudence. However, when incentives are unbalanced, encouraging caseload reduction without penalizing or otherwise discouraging wrongful exclusion, organizational theory would predict that practices will be skewed toward restrictiveness. On the whole, TANF governance, coupled with increased room for bureaucratic discretion, created an organizational context in which administrative exclusion might be expected to develop.

Claiming Costs and Claimant Capacity

The effective cost of claiming 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 capacity to pay them. One might expect that individuals with greater needs and fewer personal resources would find it more difficult to navigate the administrative process (Cherlin, Bogen, Quane, and Burton, 2002; Super, 2004). Unfortunately, there is limited evidence on this point. One suggestive study created an “index of procedural accessibility” and showed that complex formal procedural requirements had an unequally restrictive effect, varying with claimants’ level of educational attainment (Bendick, Lavine, and Campbell, 1978). Another line of inquiry has

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8 The all-family work participation rates required for the NSAF focal states in FY 2000 were 8% for California, 9% for Minnesota, 5% for New York, 2% for Washington, and 0% 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% rate that otherwise would have been required (U.S. GAO, 2002a).
found racial inequality in the administration of sanctions, that is, the withholding of benefits to punish rule violations (Keiser, Mueser, and Choi, 2004; Soss, Schram, and Fording, 2005; Soss, Schram, Vartanian, and O’Brien, 2001; U.S. DHHS 2003a). It is not entirely clear the extent to which inequality is related to differences in the formulation and application of sanctions (cost) or the ability of differently situated groups to satisfy caseworker demands (capacity).

In order to understand administrative exclusion, it is necessary to take account of the complex ways in which administrative processes, their discretionary application, and variation in claimant capacity—as well as race and ethnicity—may interact to affect access to benefits. The studies reviewed here point to ways in which informal organizational practices may be exclusionary. However, research to date has been limited to studies of individual states, specific administrative practices, or points in time. This study extends existing analysis by examining administrative exclusion as an organizational problem and by assessing its effects at a national level across three time periods.

**RESEARCH DESIGN**

This investigation of administrative exclusion in welfare uses data from the NSAF. The NSAF was designed to be representative within 13 focal states (Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin) selected for intensive sampling and, upon inclusion of observations from the balance of the nation, representative of the country as a whole. This study uses a state-level survey weight in the caseload reduction analysis, where the intrastate representativeness of the sample is key to the analysis. It uses a national-level survey weight in the demographic analysis, where the representativeness of the sample at a national level is important. The NSAF was administered in three waves. The 1997, 1999, and 2002 survey rounds cover the program exit experiences of respondents from January 1995 through most of 1997, January 1997 through most of 1999, and January 2000 through most of 2002, respectively. These three survey waves provide an opportunity to examine differences across time periods.

Our analysis focuses on welfare leavers who, at the time of the survey, indicated that they were not currently receiving benefits. The “most knowledgeable adult” in the family was asked why the welfare office cut them off or why they left welfare. The questions were open ended, and the interviewers—who coded the answers according to predetermined categories in the survey instrument—encouraged respondents to provide multiple explanations.

We classify responses that explicitly referred to rule compliance and administrative hassles as “procedural” and all other responses as “nonprocedural.” Procedural responses included: “Did not follow program rules,” “Administrative problems/mix up,” “Didn’t want or need/too much hassle/system too frustrating,” and “Personality clash.”

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9 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 2 years prior, are excluded from the analysis.

10 The respondents initially were asked whether they had stopped receiving welfare benefits for more than 1 month since the January 2 years prior. Respondents who indicated that they had stopped receiving benefits were asked whether the welfare office cut them off and why or whether it was their decision to leave welfare and why.
Nonprocedural responses were “Earnings had increased,” “Assets were too high,” “Reached end of time limit,” “Not an US 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.”

Procedural exits constituted 11.45% of exits (i.e., 99 out of 865) in the 1997 round, 15.54% of exits (i.e., 140 out of 901) in the 1999 round, and 10.82% of exits (i.e., 78 out of 721) in the 2002 round. The NSAF did not ask comparable questions that would allow us to distinguish between procedural and nonprocedural factors on the entry side, a limitation that this will be addressed later in this article.

In this study, 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 deemed to be an important factor in determining program exit. This is a conservative approach in that it does not take account of the extent to which procedural rules are an inescapable background feature of program participation. However, it is consistent with the premise that organization practices are of greatest analytical interest when they affect program participation independent of the substantive status of claimants.

The NSAF also contains information regarding respondent characteristics that are associated with capacity (namely, variables relating to socioeconomic status), as well as race and ethnicity. The specific socioeconomic variables of interest for this analysis pertain to education, marital status, labor force participation, and poverty level. This study created a series of dichotomous variables, assigning recipients a value of 1 for “dropout” if they did not have a high school diploma or general educational development certificate (GED) and 0 otherwise; a value of 1 if they were never married and 0 otherwise; a value of 1 if they were working and 0 if they were looking for work or not in the labor force; a value of 1 for “deep poverty” if their family income was below 50% of the Census Bureau poverty threshold and 0 otherwise; and a value of 1 for “moderate poverty” if their family income was more than 50% (but less than 100%) of the Census Bureau poverty threshold and 0 otherwise. Respondents also were assigned a value of 1 for “Black” if they were non-Hispanic blacks and 0 otherwise; a value of 1 for “Hispanic” if they were non-white Hispanics and 0 otherwise; and a value of 1 for “other minority” if they were (non-Black

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11 Multiple procedural responses were coded as a single procedural exit, and multiple nonprocedural responses were coded as a single nonprocedural exit. Respondents who provided both procedural and nonprocedural answers were coded as a procedural exit. The analysis excluded respondents whose answers were recorded as “Unclassifiable” and did not provide procedural or nonprocedural reasons for welfare exit.

12 For example, a claimant who indicates that she left welfare because her income was too high may be influenced by the way in which procedural rules were applied in her case, possibly inappropriately.

13 The family is composed of all household residents related by blood, marriage, or adoption.

14 The NSAF includes welfare payments, but not Food Stamps, in the calculation of family income.

15 We used the labels “Black” and “Hispanic” to be consistent with NSAF terminology.

16 The 2002 survey round does not contain information about the language in which the survey interview was conducted. Of the full 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 full sample (excluding the 2002 round) was Hispanic.
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 the marginal effects from probit estimation. These results, detailed elsewhere, were consistent with the LPM analyses (Majmundar, 2007, Appendix C).19

ORGANIZATIONAL PRACTICES AND EXCLUSION: ANALYZING CASELOAD DECLINE

After TANF’s enactment in 1996, caseloads dropped dramatically across the country. They were cut in half between 1996 and 2000 (Urban Institute, 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 the 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 increases in employment among former recipients (CEA, 1999; Grogger and Karoly, 2005). However, studies also show a substantial proportion of welfare leavers with no work and no welfare (Zedlewski et al., 2002) and a significant decline in take-up rates that left more than half of poor families with no work and no welfare (Parrott and Sherman, 2006; Zedlewski et al., 2002).

This raises the question of whether organizational practices (both formally prescribed and informally created) played a role in caseload reduction, causing individuals to leave the program for reasons other than their substantive status or personal preference. We use the term proceduralism to refer to organizational practices that produce exclusion by raising

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**Table 1**

AFDC/TANF Demographic Mean Values

<table>
<thead>
<tr>
<th></th>
<th>Procedural Leavers</th>
<th>Nonprocedural Leavers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dropout</td>
<td>0.3691</td>
<td>0.2279</td>
</tr>
<tr>
<td>Never married</td>
<td>0.5023</td>
<td>0.3486</td>
</tr>
<tr>
<td>Working</td>
<td>0.4359</td>
<td>0.7075</td>
</tr>
<tr>
<td>Moderate poverty</td>
<td>0.2966</td>
<td>0.2773</td>
</tr>
<tr>
<td>Deep poverty</td>
<td>0.3018</td>
<td>0.1914</td>
</tr>
<tr>
<td>Black</td>
<td>0.4008</td>
<td>0.3117</td>
</tr>
<tr>
<td>Hispanic</td>
<td>0.1909</td>
<td>0.1481</td>
</tr>
<tr>
<td>Other minority</td>
<td>0.0273</td>
<td>0.0446</td>
</tr>
<tr>
<td>Female18</td>
<td>0.8160</td>
<td>0.7634</td>
</tr>
</tbody>
</table>

17 We include “other minority” in the regression analyses because we want “White” to serve as the reference category for Black and Hispanic.
18 The regression analyses include gender as an independent variable in order to control for the small number of men in the welfare sample.
19 As a cross-check, we also conducted a series of probit analyses. The results, detailed elsewhere, are consistent with the LPM estimates (Majmundar, 2007, Appendix C). Given the similarity of the results, we preferred LPM because it was easier to compute and interpret. We calculated probit marginal effects but did not bootstrap the standard errors associated with those coefficients. We instead reported the $p$ values that were associated with the main effects, but which were also applicable to the marginal effects.
the cost of claiming beyond the capacity of individuals to pay. If proceduralism contributed
to caseload decline, then program exits in high caseload reduction states should have been
more likely (compared to program exits in low-caseload reduction states) to be procedural
rather than nonprocedural in nature. The empirically testable implication is that claimants
living in high caseload reduction states would have been more likely (compared to claim-
ants living in low-caseload reduction states) to leave welfare for procedural reasons than for
nonprocedural reasons.

The empirical analysis uses data from the NSAF 1999 and 2002 survey rounds.\footnote{20} The
dependent variable is the probability that a TANF exit was procedural rather than nonpro-
cedural. The independent variables are caseload reduction,\footnote{21} 12 state dummies (to control
for fixed state characteristics and policies), 1 survey round dummy, state unemployment
rate,\footnote{22} individual characteristics related to socioeconomic status (i.e., education, marital
status, and poverty level), work status, gender, and race and ethnicity. (The individual-level
variables will be taken up later in the discussion of the distributive effects of organizational
practices.)

The analysis compares exits attributed to procedural reasons (procedural exits, PE)
and those attributed to nonprocedural reasons (nonprocedural exits, NPE). The dependent
variable, in other words, speaks to the \textit{nature} of program exit rather than \textit{probability}. We
note that the analysis does not compare PE with continued benefits receipt (BR). This is
analytically important because if PE were compared with BR, then mechanically a “feedback
loop” to caseload reduction on the right-hand side would be established. Caseloads
are, after all, a function of both how many people leave and how many enter and stay as
benefits recipients. By comparing PE with NPE, however, we avoid creating such a simulta-
taneity problem.

Moreover, comparing PE to NPE accounts for the possibility that both could move in
tandem. Formal policies affecting categorical eligibility, benefit generosity, and claimant
need and well-being (i.e., the factors determining NPE) also influence claimant tolerance of
administrative burdens and the choices made with regard to procedural compliance (i.e.,
some of the factors determining PE). The matter of central concern in this analysis is the
residual difference in factors determining PE and NPE.\footnote{23}

One qualification is in order. Caseload reduction is a function of both entry and exit,
but the caseload data used in this analysis do not allow changes to be decomposed into entry
and exit components.\footnote{24} It is possible, in principle, that the relative importance of entry and
exit could be different across “high” and “low” caseload reduction states, in which case
a form of measurement error would be introduced. Caseload reduction, in other words, may

\footnote{20} We exclude the 1997 round because respondents could have been receiving AFDC during the survey period.
\footnote{21} Caseloads were measured in terms of families receiving benefits (U.S. DHHS, 2006).
\footnote{22} The state unemployment rate for the 1999 survey round is the average of state unemployment rates for fiscal years
1997, 1998, and 1999. The state unemployment rate for the 2002 survey round is the average of the state unemployment
\footnote{23} The caseload reduction analysis understates the effects of bureaucratic proceduralism to the extent that individuals
who left welfare for nonprocedural reasons were subjected to inaccurate interpretations and applications of program
rules.
\footnote{24} The caseload figures used in this study are annual averages, whereas other research on the relationship between
entries and exits and caseload reduction has used monthly data (Grogger, 2005; Grogger, Haider, and Klerman, 2003).
In addition, since the TANF statute temporarily suspended certain state reporting requirements, administrative data on
applications and case closings are not available from the years immediately following welfare reform through FY 2000
(U.S. DHHS, 2003b, 5-1, 5-18).
be a systematically inaccurate reflection of the organizational forces that drive procedural exit. Caseload reduction estimates—that is, caseload reduction as a predictor of individual-level procedural exit—will be understated if exit is more important (relative to entry) in high caseload reduction states than low reduction states. Estimates will be overstated if exit is more important (relative to entry) in low-caseload reduction states than high reduction states. There will be no bias if the relative importance of exit and entry is approximately the same across high and low caseload reduction states. The available empirical literature does not shed much light on which of these scenarios is most likely.25

Caseload reduction is posited as a categorical rather than continuous variable so that it may more plausibly reflect 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 3 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 an individual in any given year, let alone month. The basic approach, therefore, is to group states together (in various combinations) in broad categories. This is consistent with the purpose of the analysis, which is to assess whether there exists a consistent and robust relationship between bureaucratic proceduralism and caseload decline. It does not attempt to provide a credible estimate of what caseload change would have been in the absence of de facto administrative exclusion.

As part of this analysis, states are grouped together in four different ways (alternatively using two, three, four, and five categories) according to the relative magnitude of caseload decline. This article focuses on the results of the five-category specification, which is the most fine grained and, therefore, the most informative. However, it is important to note that the findings from this analysis are consistent with the results from the two-, three-, and four-category specifications that are reported elsewhere (Majmundar, 2007).26

Category 1 states experienced the largest rates of caseload declines at 50.76% or more, for an average rate of 52.57%. Category 5 states experienced the smallest rate of caseload decline at 4.95% or less, for an average rate of 4.43%. Average rates of caseload decline for the other categories were as follows: 39.6% for Category 2 (states that experienced declines greater than 50.76% but less than or equal to 32.68%), 22.37% for Category 3 (states that experienced declines greater than 32.68% but less than or equal to 15.31%), and 8.21% for Category 4 (states that experienced declines greater than 15.31% but less than or equal to 4.95%). These cutoff points were set to produce categories with approximately the same number of individual observations in each. Four LPM regressions were run (clustered by state year) with Categories 2, 3, 4, and 5 each serving in turn as excluded categories.

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25 One study attributed 39.2% of the national caseload decline from 1994 to 1999 to change in entry but did not indicate the relative importance of entry versus exit across different stages of caseload change (Grogger, Haider, and Klerman, 2003).

26 In the two variable specification, individuals in high caseload reduction states (with an average caseload reduction rate of 37.70%) were 8.89% more likely than individuals in low caseload reduction states (with an average caseload reduction rate of 5.11%) to be procedural than nonprocedural leavers (Majmundar, 2007). This correspondence of an approximately 33 percentage point difference in caseload reduction rates with an approximately 9 percentage point difference in the probability of procedural exit is consistent with the range of incremental effects from a variety of exploratory continuous variable specifications.
As noted, in order to test the sensitivity of these estimates, we structured the caseload reduction variable in several other ways, producing findings consistent with the five-category specification (as detailed in Majmundar, 2007).

Findings

The empirical analysis shows that claimants in states with higher rates of caseload reduction were more likely to exit welfare for procedural reasons than claimants in states with lower rates of caseload decline, except for Category 1 states. (See table 2.) The analysis is generally consistent with the hypothesis that organizational practices played a role in driving welfare exits. However, the finding regarding Category 1 states (made possible by the structuring of caseload reduction as a discrete variable) seems anomalous and requires a closer look.

There may be a temporal dimension that the aggregate data obscure. It has been theorized that administrative mechanisms of restrictiveness may be relatively more important when other approaches are less viable (Brodkin, 1986). If it was more difficult to reduce caseloads by moving claimants into work in the second period that might create incentives for states to turn to other—procedural—mechanisms for achieving caseload decline consistent with the governance incentives previously discussed. There is evidence that individuals leaving welfare relatively soon after TANF’s implementation were more advantaged (or more “work ready”) than later leavers (Cancian et al., 2000; Institute for Public Affairs et al., 2000; Loprest and Zedlewski, 2006). This suggests that as welfare-to-work efforts become less effective in reaching a caseload increasingly comprised of more deeply disadvantaged claimants, administrative means of caseload reduction would increase in importance.

An analysis comparing time periods provides insights into differences in the salience of proceduralism under changing conditions. The fixed effect for the 2002 survey period was positive across all the caseload reduction specifications. This indicates that, all else being equal, individuals in the 2002 survey round were more likely to be procedural leavers than individuals in the 1999 round (Majmundar, 2007). This raises the question of whether caseload decline was more strongly associated with organizational practices in the 2002

<table>
<thead>
<tr>
<th>Procedural Exits</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>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>

Note: Linear probability estimates. Robust SEs in parentheses.
*Significant at the 10% level, **significant at the 5% level, ***significant at the 1% level.
survey period than in the 1999 survey period. Data points for any (meaningful) “low caseload reduction” category would be drawn exclusively from the 2002 survey round providing insufficient variation for a single regression with observations from both survey rounds. Running separate regressions for the 1999 and 2002 survey rounds offers the next best way to proceed—despite smaller sample sizes and the absence of state dummies. Potential concerns about the failure to control for state fixed effects are alleviated by the fact that the results from table 2 were generally robust to the exclusion of state dummies.

The comparative analysis (table 3) shows that, as hypothesized, proceduralism appears to be more strongly associated with caseload decline in the 2002 survey round—after the initial period of sharp reductions—than in the 1999 one. The two-category caseload reduction specification is strongly significant for the 2002 period but not at all so for the 1999 one. The results of the three-category specification also appear to be stronger for the 2002 round than the 1999 one.

These results, though not definitive, are consistent with the hypothesis that proceduralism had greater significance as states found it more difficult to achieve caseload decline by moving claimants into work. This suggests that organizational practices have the potential to be even more salient in future periods of relatively low and stagnant caseloads or in periods of economic downturn during which work is less available as an alternative to welfare.

**ORGANIZATIONAL PRACTICES AND INEQUALITY: ANALYZING SUBGROUPS**

There is more to administrative exclusion than its aggregate effects on access to benefits. As discussed, organizational theory and empirical evidence also indicate that organizational practices (formally prescribed and informally created) may have distributive effects, skewing access to benefits in ways not consistent with formal, categorical considerations. If, as argued, there are organizationally imposed costs to claiming, it is not necessarily the case that they are uniformly applied or that claimants are equally able to bear them, regardless of their interest or willingness to do so.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Impact of TANF Caseload Reduction on Procedural Exit (1999 and 2002 Survey Rounds Separately)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999 Survey Round: PE (1) versus NPE (0)</td>
</tr>
<tr>
<td></td>
<td>( (Y = 0.1178; n = 694) )</td>
</tr>
<tr>
<td>Two-category specification</td>
<td>( (R^2 = 0.0166) )</td>
</tr>
<tr>
<td>Category 1 states compared to</td>
<td>0.0120</td>
</tr>
<tr>
<td>Category 2 states</td>
<td>(0.0126)</td>
</tr>
<tr>
<td>Three-category specification</td>
<td>( (R^2 = 0.0172) )</td>
</tr>
<tr>
<td>Category 1 states compared to</td>
<td>−0.0214</td>
</tr>
<tr>
<td>Category 2 states</td>
<td>(0.0172)</td>
</tr>
<tr>
<td>Category 1 states compared to</td>
<td>−0.0012</td>
</tr>
<tr>
<td>Category 2 states</td>
<td>(0.0187)</td>
</tr>
<tr>
<td>Category 3 states</td>
<td>0.0202*</td>
</tr>
<tr>
<td>Category 2 states compared to</td>
<td>(0.0122)</td>
</tr>
<tr>
<td>Category 3 states</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Linear probability estimates. Robust SEs in parentheses.
*Significant at the 10% level, **significant at the 5% level, ***significant at the 1% level.
This analysis investigates whether organizational practices had differential effects among subgroups of welfare claimants, rationing access according to socioeconomic characteristics associated with disadvantage, race, and ethnicity. Socioeconomic 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 pay the hidden costs of claiming. We regard those less able to pay these costs as administratively disadvantaged.

The empirical analysis of welfare exits and individual characteristics includes all three NSAF survey rounds, clustered at the focal state level. Nonfocal state observations, cumulatively representative of the balance of the country rather than individual states, were clustered together. The dependent variable is the probability that a welfare exit was procedural rather than nonprocedural. The independent variables (all dichotomous) are high school dropout (without GED), never married,27 moderate poverty, deep poverty, Black, Hispanic, other minority, gender, work status, and year dummies for two of the three survey rounds.

A comparative analysis of procedural exits (PEs) and nonprocedural exits (NPEs) takes account of the fact that procedural 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 decision 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 claiming costs outweigh benefits.

In this analysis, it is the difference between PE and NPE that is relevant. If organizational practices sort 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 nonprocedural reasons. Alternatively, if organizational practices are unbiased in their application and effects, then procedural and nonprocedural leavers should not be distinguishable by degree of disadvantage, race, or ethnicity.

This analysis is complicated by the possibility that there could be unobserved differences between the two types of leavers (PE and NPE), differences with behavioral characteristics rather than capacity. The issue here is not the bias of the empirical estimates but rather the normative backdrop against which the results are viewed and interpreted. Behavioral attributions about the poor are deeply contested in the 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). Generally, analyses that adopt a behavioral explanation for poverty treat nonwork as evidence of a behavioral deficiency arguably linked to “noncompliance” with rules—especially work rules. Without endorsing this view, the empirical analysis, nonetheless, addresses this concern by using work status as a “control” variable (a partial one, at the very least) for unobserved behavioral differences.

As discussed previously, the NSAF data do not shed any light on administrative factors on the entry side. If the interaction between proceduralism and claimant capacity on the entry side were sufficiently different from the interaction on the exit side, then the demographic analysis might present a distorted picture of the cumulative effects of organizational practice. (It should be noted that this concern is separate and distinct from the

27 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, 1996).
entry issues that are relevant to the caseload reduction analysis and which were discussed in the previous section.) However, we would argue that the leaver analysis is more likely to understate, than overstate, the effects of proceduralism because administrative burdens appear to be as costly—if not more so—at entry. The governance features discussed earlier discourage states from engaging in claimant outreach, and the limited empirical literature discussed earlier appears to point toward exclusionary tendencies at program entry. We also note that both applications and benefits maintenance are generally administered by the same street-level agencies, where staff operate under similar organizational conditions.

Findings

The empirical results indicate that organizational practices had distributive effects, biased with regard to characteristics associated with disadvantage. The probability of procedural exit was greater for claimants who were high school dropouts, never married, and in deep poverty (see table 4). Claimants with these characteristics may be regarded as administratively disadvantaged.

The findings on race and ethnicity are less clear. There was a relatively weak relationship between procedural exit and ethnicity (i.e., for Hispanics) and none for race (i.e., for African-Americans). These findings are inconsistent with studies that examine racial disparities in the application of welfare sanctions within specific states (Keiser, Mueser, and Choi, 2004; Soss, Schram, and Fording, 2005). This raises the question of whether sanctions comprise a special type of administrative exclusion. It also raises the question of whether racial disparities in sanctions application are state specific.

This analysis does not necessarily indicate that the overall impact of organizational practices is to deny benefits to the very neediest and least advantaged claimants, as

<table>
<thead>
<tr>
<th>Individual Characteristics</th>
<th>Procedural Exit (1) versus Nonprocedural Exit (0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dropout</td>
<td>0.0652*** (0.0208)</td>
</tr>
<tr>
<td>Never married</td>
<td>0.0707*** (0.0131)</td>
</tr>
<tr>
<td>Moderate poverty</td>
<td>-0.0071 (0.0158)</td>
</tr>
<tr>
<td>Deep poverty</td>
<td>0.0283*** (0.0084)</td>
</tr>
<tr>
<td>Working</td>
<td>-0.1408*** (0.0396)</td>
</tr>
<tr>
<td>Black</td>
<td>0.0320 (0.0280)</td>
</tr>
<tr>
<td>Hispanic</td>
<td>0.0314* (0.0160)</td>
</tr>
<tr>
<td>Other minority</td>
<td>-0.0451 (0.0623)</td>
</tr>
<tr>
<td>Female</td>
<td>0.0063 (0.0131)</td>
</tr>
</tbody>
</table>

Note: Linear probability estimates. Robust SEs in parentheses. *Significant at the 10% level, **significant at the 5% level, ***significant at the 1% level.

See, for example, Bers (2001) for an account of class action litigation over bureaucratic obstacles in the benefits application process in New York City.

Studies have also been made of state diversion programs that involve explicit efforts to divert applicants from making claims (Moffitt, 2003; Ridzi and London, 2006).
procedural leavers tend to be more advantaged than those who continue to receive benefits (Majmundar 2007). Utilization studies also have suggested that nonparticipants 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, on the other hand, is to examine the impact of procedural rules and organizational practices by focusing on the differences between procedural and non-procedural leavers. 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 organizational practices—may be suboptimal from the vantage point of individual material well-being and equitable program administration.30

We argue that the difference between “glass half full” and “glass half empty” interpretations of program nonparticipation requires a better understanding of the organizational contribution to nonparticipation. Although choice is relevant, it cannot be assumed. This analysis suggests that organizational practices may restrict participation by effectively raising claiming costs beyond the capacity of interested and potentially eligible claimants to pay. Exclusion of administratively disadvantaged claimants suggests a distributive bias in organizational practices that is at cross-purposes with norms of equitable administration and distributive principles of need.

ADMINISTRATIVE EXCLUSION AND ITS IMPLICATIONS

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 organizational practices—both formally prescribed and informally created—and administrative exclusion—that is, nonparticipation for reasons other than claimant preferences or substantive status. Focusing on the organizational side of claiming, it raises questions about practices that have been theorized to effectively raise the cost of claiming, producing rationing and a selective bias toward exclusion among administratively disadvantaged subgroups. The analysis puts these theorized relationships to an empirical test using nationally representative data on welfare leavers.

The findings raise three key issues for welfare management, specifically, and management research, more generally. First, they suggest that administrative exclusion contributed to welfare caseload decline, most significantly 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, although indirect, may have significant effects, a possibility that has not been entirely lost on policy makers (Nathan, 1983). The findings of this study do not rest on an assumption of political intent. Although caseload reduction was an explicit objective of welfare reform, reduction through administrative exclusion of potentially eligible claimants, arguably, was not.

30 One study found nonparticipants generally to be better off than participants but also suggested 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, 2, 6).
Second, the findings point to the important role of governance. The balance between prudent and prohibitive practices can shift, not only with changing political agendas but also with structural alterations in management. 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 (Brodkin, 2006). This analysis suggests that governance provisions in TANF law created incentives that influenced administrative practices, not only as explicitly intended but also in indirect and possibly unanticipated ways. From an organizational perspective, it is significant that TANF effectively rewarded states for reducing their caseloads by any means other than explicit policy restrictions. But state practices that might reduce access to potentially eligible claimants were neither monitored nor penalized. Given the structure of incentives and absent significant countervailing pressures for wrongful exclusion, this analysis shows that governance can lead to organizational practices that operate as a hidden instrument for advancing caseload decline.31

Third, the findings indicate that welfare administration has not been neutral with respect to access, based on a formal analysis that takes account of differences in the way that organizational processes and subgroups of claimants interact. We theorized that organizationally imposed costs and the individual capacity to meet them would vary with socioeconomic characteristics as well as race and ethnicity. The empirical analysis showed that organizational practices had unequal effects on subgroups of claimants, in particular, those that we have called administratively disadvantaged. This subgroup of claimants had a higher probability of leaving welfare for procedural reasons than for nonprocedural reasons. The findings on race and ethnicity were less clear. This analysis indicated that Hispanic claimants were differentially impacted by proceduralism, but the effects were less strong than those for socioeconomic characteristics. Contrary to expectation, the analysis did not show a racial bias with respect to African-American claimants, although we recognize that national-level analysis may obscure intrastate variation (the specific focus of other studies in this area) indicative of racial bias.32

These analytic 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, creating an environment in which proceduralism can flourish. These findings also raise concerns about prospects for increased administrative exclusion as administrative provisions incorporated in the Deficit Reduction Act of 2005 (DRA) are implemented. The DRA set work participation quotas at 50% for one-parent households and 90% for two-parent households. It is significant that the regulations implementing the DRA are more demanding and more restrictive than previous law in defining what “counts” toward meeting state work participation quotas. Arguably even more important, the DRA eliminated caseload reduction credits that states had

31 Generally, claimants have been limited in their ability to mount effective challenges to systematic practices and underutilize complaint processes (Handler and Hollingsworth, 1971; Lens and Vorsanger, 2005). There also 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).

32 Recent, intriguing research also 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, 2009).
obtained in recent years, credits which had alleviated pressures to meet rising participation
quotas and further cut caseloads. Even before the recession came into play, the Congress-
ional Research Service estimated that, without credit for prior caseload decline, almost all
states would fall significantly short of meeting their quotas (Congressional Research
Service, 2005).

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. Absent countervailing incentives to
assure access and administrative accountability, one would expect conditions to be ripe for
administrative exclusion to become even more salient than in the period of this study. These
pressures could be exacerbated under economic conditions that are far less favorable to
lower wage workers than the “boom” years of the late 1990s.33

Beyond its policy implications, this inquiry highlights a type of informal legalism that
is broadly at issue in sociological studies, particularly in research on welfare law (Adler,
2006; Bennett, 1995; 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 the law’s implementation.
Neither organizational practices that added hidden costs to claiming nor their exclusionary
effects were explicit or transparent. This makes administrative exclusion both normatively
and politically problematic. It is one thing to argue that welfare policy should be designed to
have an explicit 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 administrative redress (Brodkin, 1986, 2006).

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 ob-
served that: “We speak of ‘legalism’ when insistence on legal rules or modes of reasoning
tends to frustrate the purposes of public policy” (Nonet, 1969, 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 analysis illuminates the
importance of accounting for the hidden costs of claiming and for the interaction between
organizationally imposed costs, governance, and claimant capacity. This interaction is crit-
ical in determining how accessible benefits will be and who will be able to obtain them.
Informal organizational practices may frustrate access to benefits and produce systematic
patterns of administrative exclusion. Yet these patterns are far from transparent, pointing
toward to the importance of advancing research strategies that can reveal these patterns,
explore their causes, and assess their consequences.

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