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Upfront

Stealth Welfare

How to create programs that fly under the radar screen of cutbacks

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PUBLIC POLICY

Stealth Welfare

How to create programs that fly under the radar screen of cutbacks

Welfare is a dirty word in modern American government. Programs such as Aid to Families with Dependent Children (AFDC) have undergone two decades of cuts, driven by a belief that social assistance has failed to improve the lot of the poor.

At the same time, programs like the Earned Income Tax Credit (EITC), which lowers taxes for the working poor, and Lifeline Universal Telephone Service (Lifeline), which provides subsidized Internet access, have grown both in dollars spent and mandate.

These two examples of “stealth welfare,” as Abraham L. Newman calls them, provide some lessons as to how policymakers can push their welfare programs under the radar screen of political opposition and budget cutbacks.

His study, published in the *Journal of Social Policy* (vol. 32, no. 2), argued that the success of Lifeline, which has served over 30 million low-income households, and EITC, which has provided an estimated \$31 billion in tax credit, is due to the fact that these programs were grown outside the traditional welfare policy arena, thereby shielded from political opposition.

The stealth welfare tactics gleaned from these two programs offer some broader lessons on how to promote welfare programs during continued budgetary and political pressures.

First, new welfare programs must blend into surroundings to “avoid the stigma of welfare.” EITC was always passed as part of a complex tax or budget package, while Lifeline was buried in large telecommunications bills.

“Although they were both redistributive policies, they were invisible to opponents of the allegedly bloated welfare state,” Newman wrote. As small parts of huge, complicated bills unrelated to social welfare programs, they were able to escape the notice of welfare hawks.

Secondly, new social policies need to use alternative funding mechanisms to get passed. Politicians framed EITC

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expansion as a tax adjustment, avoiding language of new spending. Legislators who opposed “phone stamp” programs made little noise over a surcharge tacked on to long-distance providers. Neither program required direct government funding.

Thirdly, Newman wrote, use alternative enactment processes to skirt veto points. EITC’s inclusion in budget packages limited policy blocks because of the restricted ability to amend budget agreements. Similarly, since Lifeline was implemented by the Federal Communications Commission, it expanded without needing congressional approval.

Fourthly, new social welfare programs have a better chance of adoption if they do not create new institu-

tions, but are instead anchored to strong existing ones. Both EITC and Lifeline were under the protection of powerful federal institutions: the tax code and the regulated telephone network. Plus, these two institutions had ready distribution and monitoring systems that allowed effective implementation, management, and expansion.

Lastly, the programmatic ambiguity of a program allows for more political wiggle room and expansion. “In contrast to AFDC or food stamps, which have circumscribed benefits, the mission statements of Lifeline and the EITC have a degree of fluidity allowing for adjustments to new political demands,” Newman wrote.

Lifeline, for instance, which was begun to help poor and elderly people adjust to the deregulated telephone market, morphed into subsidized Internet access for schools, libraries, and hospitals. It appealed to both liberals interested in urban schools and Republicans interested in technologies in rural areas. The ability to reframe the program and its beneficiaries is critical for survival, regardless of the political climate.

Despite the stigma surrounding welfare, social assistance programs can thrive if excluded from welfare politics and traditional legislative pathways. Instead of lumping redistribution policies together into an easily attacked welfare target, policymakers should turn to nontraditional channels and strategies that offer them better chances of political survival.

—Michael Fitzgerald