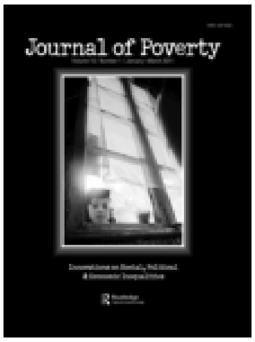

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Clinton's Domestic Policy Makers

Eric Swank

Clinton's Domestic Policy Makers: Big Business, Think Tanks, and Welfare Reform

Eric Swank

ABSTRACT. The concept of "welfare dependency" is a hot topic in political circles. Although pending Republican plans have seized much attention, the reform stage was recently occupied by President Clinton. This paper examines Clinton's welfare reform proposal (the 1994 Work and Responsibility Act). The article reviews the Act's objectives before it explores the process in which the Act was formed. Moreover, the paper focuses on the variable of "decision making inclusiveness." Driven by the "who wrote the policy" question, the study inspects the social backgrounds of Clinton's domestic policy makers. In the end, this analysis shows that the policy formation process was governed by an elite group of corporate executives, think tank intellectuals, and establishment lawyers. *[Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. E-mail address: getinfo@haworth.com]*

KEYWORDS. Policy makers, big business, think tanks, welfare reform, decision making, inclusiveness, elites

After the 1994 elections, the Republican party seized a numerical control of Congress. With their congressional clout, the Gingrichian-led Congress touted welfare reform as their issue. With a copy of the "Contract with America" in hand, these new House members spoke endlessly on their version of welfare reform (The

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Personal Responsibility Act of 1995). However, the nation soon discovered that this rap was not purely rhetorical since a Democratic president turned their bill into a law.

Bill Clinton's signing of this bill may have shocked some Americans (for it is common knowledge that Democratic Presidents created and expanded welfare programs in the New Deal and War on Poverty eras). Yet, this image of welfare advocates does not correspond with all types of Democrats. In fact, "New Style Democrats" like Bill Clinton have made a career out of espousing the "tough on welfare" line. As governor of Arkansas, Bill Clinton praised workfare and was a major lobbyist for the 1988 Family Support Act. As a presidential candidate, Clinton bragged that he would "end welfare as we know it." Then as an acting President, Clinton even submitted "his" welfare reform to Congress in the summer of 1994 (The Work and Responsibility Act–H.R. 4605 and S. 2224).

This paper will look at Clinton's 1994 welfare bill. While the major components of Clinton's proposal will be described, this analysis will primarily focus on various policy-making issues. This policy formation discussion will revolve around the question of who wrote Clinton's Work and Responsibility Act. More precisely, this paper will test an "elite" theory which claims presidential policies are written by a small circle of economic elites.

RELEVANT THEORIES OF POLITICS AND SOCIAL WELFARE

During the last twenty years the nation has seen many sorts of local welfare reforms. Although each "demonstration" has had its own distinct qualities, the reforms have been unified by the desire to shrink the number of recipients. Thus, officials have implemented elaborate procedures which confront "welfare dependency" (most of the various family-caps, "wed-fares," and "learn-fares" have tried to scare people into private sector jobs).

A cluster of socialist-feminists suggest that patriarchal corporations encourage these reforms (Gordon, 1990; Itzkowitz, 1991; Bryson, 1992; Fabricant & Burghardt, 1993; Fraser, 1994; Heclo, 1994). Instead of buying a pluralistic notion of numerous power sources producing a policy, these "critical" scholars believe that the recent wave of welfare reforms has been sparked by an active core of economic elites. Simply put, affluent forces have presumably crafted the welfare agenda while the other social stratums have been "left out of the policy-making process" (Teles, 1996, p. 16).

In presenting this argument, many theorists have elaborated the corporate interests in such reforms (Axin & Hirsch, 1993; Thomas, 1994; Rose, 1995; Abramovitz, 1996). First off, welfare can fulfill a scapegoat's role. Simply put, if the public thinks that "lazy welfare cheats" are responsible for the deficit, then corporate welfare can be ignored (i.e., citizens will not blame the deficit on the bailouts of shoddy saving and loan companies). On another level, the "get off the dole" message tends to reinforce the stigmatization of unemployment and poverty. Moreover, paid labor is revered while the act of receiving AFDC or General Assistance is viewed as unproductive and despicable. In turn, the process of demonizing welfare can result in a more docile work force. That is, poor folks will endure terrible work conditions just to avoid associations with pejorative welfare labels. Finally, these beliefs translate into greater profits since they guarantee a large pool of surplus workers. In effect, the leverage of workers decreases and wage stagnation appears when a group of new arrivals are introduced into the workforce.[1]

Critics of elite theories may insist that the existence of such benefits does not automatically prove that the corporations actually pushed for such policies (i.e., the "free-rider" argument that claims organizations can acquire returns even if they refrain from political activism). To counter such critiques, one can use the "instrumentalist" theory of politics (Domhoff, 1983; Miliband, 1989). This Neo-Marxian formulation has exposed the ways in which corporations influence government. In effect, these delineations provide a general blueprint as to how a unified upper-class and corporate elite can shape the political landscape of the U. S.[2]

Corporations have found numerous ways to shape the political climate. Large corporations can sway voters by owning the mass media. When communication networks are so concentrated that Walt Disney owns ABC, General Electric owns NBC, and Warner-Brothers owns most cable channels and a handful of magazines (e.g., *Fortune, Money, People, Sports Illustrated*, and *DC Comics*), then the corporate world can supply an endless barrage of images that praise consumerism and castigate those who do not conform to corporate worldviews. For example, "objective" news-stories consistently portray welfare recipients as slothful mothers who try to cheat the government (Flanders & Jackson, 1994; De Goed, 1996).

While corporations routinely influence debate through their media sources, the corporate realm uses other mechanisms to install pro-business policies into the governmental domain. First, corporations can sway political routines through the mechanism of campaign contributions. When presidential campaigns cost over three hundred million dollars to run, then candidates become fixated on fund raising. And those with large mounds of wealth can use their money to endorse the candidates who further their interests. Thus, several studies have shown how most PAC and "soft" money comes from corporate donors (Clawson et al., 1992; Mizruchi, 1992).

After the "right" people get elected to office, corporate control is extended through the appointment process. That is, corporations gain important perks by getting one of their people into vital cabinet posts. In most cases, the placing of corporate figures into cabinet and judicial positions works as a conservative force which blocks "radical" change (i.e., corporations do not want a Secretary of Defense who will shrink the military budget nor do they want a Health and Human Services Secretary who will try to "socialize" medical care). In some cases, the exchange of personnel serves as a proactive force that brings about policy changes (i.e., the ex-lumber executive who becomes the Secretary of the Interior and gives away free trees, or the HUD director who sells prime Chicago land to his real estate company).

When looking at famous appointees, one sees strong anecdotal evidence. For example, Franklin Roosevelt's Secretary of State, John Foster Dulles, was on the board of directors for the Bank of New York, Fifth Avenue Bank, American Bank Notes, International Nickel, United Cigar Stores, Shenandoah Corp., American Cotton Oil Corp., and the United Railroad of St. Louis. Or in another case, Reagan and Bush appointee George Schultz was the president of Bechtel Corporation and the former director of General Motors, Borg-Warner, General American Transportation, and Dillion, Reed & Co.

Systematic studies suggest that this cabinet/corporate connection is a common occurrence (Frietag, 1975; Burch, 1981; Riddleperger & King, 1989). When examining twentieth century appointments (1897 to 1973), Peter Frietag (1975) found that 76% of all cabinet members had links to big business. Historian Phillip Burch (1981) added that 79% of all cabinet and diplomatic appointees from 1789 to 1980 were from economic elite backgrounds. Finally, Anker et al. (1987) reported that 57% of all under- and assistant-secretaries between 1933 and 1961 had been business executives and corporate lawyers.

While Democratic slogans may insist otherwise, the world of Democratic presidencies is not exempt from such practices. The supposedly "populist" Jacksonian era saw economic elites subsuming 94% of cabinet posts (Burch, 1991). Similarly, 84% of FDR's New Dealers had corporate roles while 64% of Jimmy Carter's cabinet were elite figures (Frietag, 1975; Burch, 1981). Also, three-fifths of LBJ's cabinet had corporate ties while 58% of Kennedy's Peace Corps Council had been corporate executives (Anker et al., 1987).

Finally elites exert power through their use of different policy groups (Burris, 1992; Nagai, Lerner, & Rothman, 1994; Stefanic & Delgado, 1996). In effect, corporate foundations finance a slew of think tanks which bring together pro-business intellectuals. Then, in turn, these policy groups act as research and technocratic consultants who invent recommendations which suit their benefactors (e.g., corporations wanted justifications for lowering taxes so their friends at the American Enterprise Institute provided the rationale called "supply-side economics"). However, policy groups are not simply discussion groups, since members try to influence the political agenda by submitting policy briefs and shaping public dialogues (i.e., reporters routinely quote think tank members or Charles Murray can extol his ideas since the Pioneer Fund and the Heritage Foundation pay for his book tours). Finally, these thinks tanks can be most effective when group members join a presidential administration.

Using these instrumentalist formulations as a starting point, this paper examines the biographies of Clinton's domestic advisors. Through the use of archival information, this project determines the extent of corporate intersection in Clinton's administration. More precisely, this study will test the hypothesis that Clinton's domestic policy advisors were disproportionately drawn from economically elite backgrounds.

CLINTON'S WELFARE PROPOSAL

During a much heralded press conference in May of 1993, President Bill Clinton established the inter-departmental Working Group on Welfare Reform (WGWR). This task force was supposed to deliver a detailed plan that would realize the platitude of "ending welfare as we know it." After a year of secluded deliberations, the Clinton plan was unveiled in July of 1994.

The language in Clinton's plan had a sense of employment urgency. It was driven by the goal of swiftly moving "welfare dependents" into private sector jobs. In a repetitive manner, document after document touted the need for a reform that "will make welfare a transitional system leading to work" (WGWR, 1994b, p. 1). Thus, the group was fixated on the goal of shrinking caseload size.

With this definition of large welfare rolls as "the problem," the WGWR crafted a solution that jived with the old "culture of poverty" argument (see Fraser, 1994; Withorn, 1993). Sounding like a group of self-righteous moralizers, the WGWR suggested that welfare recipients are prone to bad thoughts and habits. In effect, everybody on welfare was supposed to have abhorrent attitudes that are "at odds with American core values" (i.e., welfare people are seen as parasites who are lazy, impulsive, greedy and hedonistic, while middle-class folks are framed as upstanding citizens who work hard, pay taxes, and mow their lawns). To counteract these perceived deficiencies, this group wanted to impose a "new culture on poor people" (WGWR, 1994a, p. 1). In essence, the entire program was based on the paternalistic notion that poor people are inferior and that the government should transform them into industrious citizens.

One part of this "new culture" was the glamorizing of the WASPian nuclear family. Believing that welfare dependency breeds in "broken homes," the WGWR wanted women to marry their way off of welfare. In prioritizing the matrimonial solution, the WGWR proposed the creation of a re-educational program that would teach students the virtues of living in an "intact-heterosexual" family (WGWR, 1994a, p. 4). Conversely, the WGWR never addressed the problems of being married to a husband (e.g., unequal division of household tasks or problems of abuse).

Knowing that all single mothers cannot find their special prince, the WGWR submitted a contractual setup called the "personal employment plan." The plan was simply a new spreadsheet which "identifies the education, training, and job tasks needed to move [recipients] into the workforce" (WGWR 1994b, p. 1). Thus, the WGWR believed that welfare could be transformed if the government trained welfare clients on how to make long term plans (again portraying these moms as incompetent women who lack organizational skills).

This rush to employment had an imposing sound. Section after section warned that "anyone offered a job will be required to take it" and "anyone who turns down a job offer will be dropped from the rolls" (WGWR, 1994 pp. 2 and 5). And in a vindictive fashion, the WGWR arrogantly asserted that "for most families, simply the threat of financial loss will be enough to ensure compliance, but those who fail to comply will face real cuts in benefits" (WGWR, 1994c, p. 2).

Clearly these coercive threats could undermine the sense of self-determination among welfare clients. However, this stern approach is more than a symbolic attack. The economic fate of welfare mothers is also at stake since the WGWR failed to discuss the issue of work conditions. Thus, the emphasis on taking the first job available eliminates the process of selecting the job which adequately meets the needs of a welfare family (perhaps the WGWR believed that poor people should be desperate enough to unconditionally accept jobs lacking safety, medical packages, and child care benefits).

Those individuals who could not find an available job in two years would be funneled into a workfare program called WORK (work not welfare after two years). Supposedly, the WORK program would have placed these "chronically unemployed" individuals into government-created jobs or subsidized private sector jobs. While the nature of these jobs was not clearly identified, these lessthan-minimum-wage jobs were supposed to motivate people into private sector jobs (WGWR, 1994b p. 2). Nevertheless, these low-paying jobs were supposed to foster a love of work. Thus, these experts presented the contradictory claim that coercion into undesirable jobs would somehow result in an internalization of a stronger work ethic.

When calling for stricter AFDC rules, the president had already abandoned his meager attempts to improve the economic conditions of the working poor. The president had already pushed for the North American Free Trade Agreement, the first lady had quit lobbying for his ill-fated "health care" plan, and the promise of raising the minimum wage had gone unheeded in 1994. Meanwhile, the WGWR promised to raise the Earned Income Tax Credit to make "any minimum wage job pay $6.00 an hour for the typical family with two children" (WGWR, 1994b, p. 2). While some may think that the Earned Income Tax Credit (EITC) is compassionate, the EITC is also a corporate coup since it relieves companies from the responsibility of paying a fair, livable wage. Or in other words, companies can keep their salaries low when the state accepts the burden of subsidizing below-poverty-line salaries (one should also keep in mind that federal work programs provide cheap labor for some companies).

As this synopsis indicates, the WGWR was preoccupied with the "dependency" issue. In the simplest of terms, the WGWR wanted to move poor women into private sector jobs by imposing inflexible rules on them. Conversely, the plan sees no need to regulate companies. That is, the WGWR neglected the structural demands of guaranteeing a pool of adequate paying jobs for those who vacate the welfare system. The following sections will explore the types of people who embraced these "fix the person" mantras.

METHODS AND PROCEDURES

To determine the prevalence of corporate consolidation, an investigator can uncover the life histories of presidential consultants. This focus on biographical accounts can expose the socio-economic status of prominent office holders (Mintz et al., 1976; Burch, 1980; Domhoff, 1983; Jenkins & Eckert, 1989). Or in the language of positivism, occupational experiences can be treated as an indicator of a person's location in the class structure. At the same time, this biographical approach reveals the extent in which people from various races, genders, and classes are formally excluded from the executive branch.

To study Clinton's cabinet, the researcher created a stratified sample.[3] Information was initially found on the members of the Working Group on Welfare Reform (with substantial information found on 27 of the 33 WGWR members). Then a second list of "vital" Clinton advisers was constructed. This list included the 25 officials who headed the departments which dealt with social welfare issues (i.e., Labor, HHS, Education, HUD, the Council of Economic Advisors). The people in this "important adviser" cluster were drawn from governmental flow charts and "inside" reports that identified Clinton's closest domestic advisors (Kramer, 1992; Dowd, 1993; Solomon, 1993; Federal Almanac, 1994; Starobin, 1994; Woodward, 1994).

The biographical information came from several types of printed information. The most thorough biographical sketches were found in the *Who's Who, Current Biographies, and Federal Almanac* directories. Some supplemental information found in national and regional newspapers added to the information provided by these directories.

After collecting the data, the biographical sketches underwent a detailed content analysis. As a reader, I employed several measures of the "elite" concept. The first measure was whether the person had ever been a board member of a major corporation (an estimated 7,000 board members in the United States in the 1990s). Thus, any person who has been a board member or CEO of a fiduciary or industrial company was deemed an elite.

For those who were classified as non-elites, I devised a schemata which encompassed different class cleavages. Building on the work of Eric Wright (1985), I separated occupations into clusters of upper-middle-class technocrats (political careerists, mass media pundits, university professors, etc.), middle-class functionaries (civil servants, managers of small companies, high school teachers, etc.), blue-collar workers (janitors, security guards, machinists, etc.) and pink-collar laborers (clerical secretaries, waitresses, nurses, etc.).[4]

After inspecting occupational issues, I analyzed different measures of elite membership. I examined the educational chronologies of respondents. That is, I checked the educational pedigrees of these advisors since affiliations with private universities (i.e., Yale, Stanford, Harvard) can be seen as an indirect indicator of elite connections. Finally, I investigated the group affiliations of appointees. It was surmised that participation in policy groups has several implications. First, the person condones the basic tenets of that pro-business policy group. Second, the corporate community accepts that person by allowing them to join these selective policy groups.

FINDINGS

Employment Backgrounds of WGWR Members

Table 1 suggests that the WGWR is predominantly filled with political and professorial careerists. The WGWR also shows a small contingency of lawyers and a sprinkling of three other occupations.

TABLE 1. Primary Occupations and Group Affiliations of WGWR Members

A. Occupation	*N*
Politics	12
University	8
Law	4
Business	1
Human Services	1
Mass Media	1
B. Policy Group (two or more members)	
Democratic Leadership Council	4
Manpower Demonstration Research Corp.	2
Brookings	2

Conversely, none of the members reported previous stints on AFDC and only one WGWR participant had extensive experience in the delivery of social services (Marsha Martin was a settlement house worker and director of a homeless outreach program).

Almost half of the WGWR sample came from political vocations (46 percent). Eleven of the twelve political workers operated within "party politics" and only one acted as a long-time grassroots advocate (Ellen Haas, the director of Public Voice for Food and Health Policy). WGWR co-chairs Bruce Reed and Elaine Kamarck were policy directors at the Democratic Leadership Council (DLC). Madeleine Kunin was the Representative and Governor of Vermont, while four others were directors of state and federal agencies (e.g., Walter Broadnax was the Deputy Assistant Secretary at Health and Human Services in Reagan's administration and subsequently led New York's Civil Service Commission). Four of the twelve "politicos" were congressional policy consultants (e.g., Wendell Primus had been a consultant to the House committees of Agriculture and Ways and Means). Thus, most of these twelve political types were "inside" the governmental and party structures since they served as administrators or policy consultants.

Most of the eight academicians came from Ivy League schools (which signifies elite connections). Two WGWR co-chairs, David Ellwood and Mary Jo Bane, were professors at the JFK School of Government at Harvard, Chris Edley taught at the Harvard Law School, Joseph Stiglitz lectured at the Economics Department at Princeton, and Marshall Smith was the dean of Education at Stanford. Augusta Kappner was the only academic to routinely deal with low income students as she taught at the Human Services Department at LaGuardia Community College before becoming the president of Manhattan Community College.

Two of the four lawyers came from massive law firms (Eleanor Acheson from Lores and Gary and Andrew Cuomo from Blutrich, Falcon and Miller). Maria Echaveste was a bankruptcy lawyer at a midsize law firm, while Norma Cantu was a famous civil rights lawyer for the Mexican-American Legal Defense and Educational Fund (thus, Cantu was out of elite circles). Finally, Avis Lavelle was a television reporter before taking over as the press secretary for Chicago's Mayor Daley.

When using the primary occupation approach, it appears that the committee was primarily composed of policy advisors and university professors. Yet when looking at the secondary careers of WGWR members, one realizes that several of the political and academic advisors have strong connections to the corporate world. For example, "political type" Joycelyn Elders also sat on the board of directors at the Little Rock Chamber of Commerce and the National Bank of Arkansas while she directed the Arkansas Health Department, and "educator" Joseph Stiglitz was a consultant for the World Bank and Bell Communications while he lectured at MIT. Additional WGWR members have family connections to large corporations (e.g., Isabel Sawhill's husband sits on the board of directors at McKinsey and Co., US Synthetic Fuels, The Vanguard Investment Group, Pacific Gas and Electric, and NACCO Industries). Thus, when including this additional information, 41% of WGWR members have direct or indirect links to the corporate elite (four direct and seven indirect).

Group Affiliations of WGWR Members

Table 1 shows that a single policy group did not numerically dominate the WGWR. The largest group, the Democratic Leadership Council (DLC), retains 14% of the WGWR positions, while the Manpower Demonstration Research Corporation (MDRC) and the Brookings Institute held 7% apiece. Yet, when one looks closely at the policy groups, some patterns appear. First, the policy groups share similar orientations and agendas. Second, the leadership roles were monopolized by two policy groups (co-chairs David Ellwood and Mary Jo Bane came from MDRC and the third co-chair Bruce Reed was a DLC mainstay).

The DLC is the "moderate" Democratic think tank. Bill Clinton helped create this policy group which sought to bring back the sections of the white vote which started to leave the Democratic party during the 1968 Presidential elections (Cohen, 1986; Weisberg, 1991; Hitchins, 1991). To counteract this "white flight" the DLC has tried to distance itself from the "New Deal" outlook by embracing some Republican topics (e.g., the DLC has called for larger military budgets, supported "free-trade" bills like NAFTA, and backed the invasion of Panama). One facet of this new Democratic vision was the echoing of the middle-classes' gripe that they pay too much taxes for "poor people programs" (Withorn, 1993; Fraser, 1993; Corn, 1994). In 1991, DLC pamphlets called for middle class tax breaks as they demanded a new "work ethic" among the "undeserving poor," while a 1988 DLC conference decided to endorse Sam Nunn's proposal to switch entitlement programs into "work for your benefits programs" (Scott & Fishman, 1988; Hitchin, 1991).

The DLC's budget is produced by gifts from large corporations. In the early 1990s Atlantic Richfield, Philip Morris and TRW provided more than two-thirds of the 2.5 million dollar budget, while Boeing, General Dynamics, and McDonnell Douglas also contributed heavily to the DLC operating fund (Habrecht, 1992; Silverstein, 1994). In later years, the DLC's sustaining members came from energy, health, insurance, pharmaceutical, retail, and tobacco companies (Hale, 1995). Finally, in light of Clinton's welfare plan, Tyson Foods, the Disney Channel, Metromedia, Delta Airlines, and other Fortune 500 companies pledged money to the DLC's plan to underwrite commercials which promoted Clinton's welfare recommendations (Silverstein, 1994).

MDRC is another think tank that is financed by corporate dollars. It was started by Ford executives and is presently predominantly financed by the Ford Foundation, the Ambrose Mowell Foundation, Alcoa, Aetna, Bystol-Myers, Squib, Metropolitan Life, Prudential, Union Carbide, and Travelers (Kemple, 1995).

In its brochures, MDRC portrays itself as a neutral social scientific center that gathers "objective" data on workfare programs. Yet some scholars argue that the MDRC is a partisan institution which intentionally serves the pro-workfare agenda (Block & Noakes, 1988; Greenberg & Mandell, 1991; Szanton, 1991; Wiseman, 1991; Oliker, 1994). Some authors allege that MDRC is a propaganda machine which intentionally gives an aura of "scientific credibility" to workfare polemics (Szanton, 1991; Wiseman, 1991; Greenberg & Mandell 1991). Moreover, these authors charge that MDRC is a pseudo-scientific organization which intentionally inflates the success rates of workfare programs (Block & Noakes, 1988; Oliker, 1994).

These critics of MDRC say that it is a biased front group, since it rarely addresses the negative consequences of mandatory work programs (e.g., child care problems) and always lauds slight increases in employment rates. Moreover, MDRC's research methods seem to exaggerate the economic impact of workfare programs. For example, MDRC's claims about income enhancement are suspect since they never estimate changes in real income (i.e., MDRC rarely incorporates inflationary indexes nor does it subtract the loss of AFDC benefits from the gains in employment income). Furthermore, the general practice of reporting yearly income changes can be misleading. For example, when MDRC president Judith Gueron (1991, p. 26) submits that "seven of the nine broad-coverage programs led to increases in the average annual incomes, ranging from $268 to $658," the reader may conclude that the work programs eliminate poverty. Yet when these data are converted into real income, the gains amount to minuscule changes (weekly increases of $17.38 in Louisville, $11.50 in Baltimore, $1.83 in Arkansas, $1.33 in West Virginia, and losses of $2.50 in Illinois and $3.75 in San Diego; author's calculations). Clearly this transformation into real income challenges the effectiveness of workfare programs since none of the programs would buy anything larger than a pizza.

The Brookings Institute is the final policy group which placed two or more members in the WGWR. From its inception, Brookings has been linked with the corporate wing of the Democratic party. Current president Bruce MacLaury was an executive at the New York and Minneapolis Federal Reserve banks before assuming his position, and current trustees have been board members at Owens-Corning Fiberglass, New England Telephone, Federal Reserve Bank of Boston, American Express, Texaco, Anaconda Copper, Bank of America, the World Bank, AT&T, Coca-Cola, and Smith Kline Beecham (Dye, 1995). Finally, systematic studies indicate that 95 percent of the Institute's members were directors of at least one Fortune 500 company in the 1980s (Jenkins & Eckert, 1989; Public Interest Profiles, 1992).

Traditionally, Brookings was seen as a backer of "liberal" welfare programs, yet since the mid-1970s the Institute has distanced itself from its earlier support of New Deal and War on Poverty programs (Pescheck, 1987; Stoesz & Karger, 1992). In the mid-1970s, Brookings' fellows began to endorse trickle-down economics as they pushed for corporate tax breaks, deregulation and wage controls. At the same time, they started a new call for fiscal austerity for domestic programs (Dye, 1987).

By the 1990s, the majority of Brookings' scholars had abandoned their generous support of redistribution programs. In the Brookings' book *Welfare Magnets*, Paul Peterson and Mark Rom (1990) suggest that each state's AFDC reimbursements for a family of three should be standardized at $460 a month. In a Brookings compilation on the "underclass," Theda Skocpol (1991) sounded like a new-style Democrat when she argued that welfare policies should "reinforce fundamental values such as reward for work, opportunities for individual benefits, and family and community responsibility" (pp. 428-429). Another sign of the Brookings shift to the right was when two of its scholars, Alice Rivlin and Robert Reich, joined forces with the Reaganesque think tank, the American Enterprise Institute, and expressed the views that high welfare benefits are "toxic and extremely detrimental to American society" (quoted in Stoesz and Karger, 1992, p. 93).

While Table 1 reveals which groups were represented on the WGWR, it also implies which groups were excluded from the WGWR. The WGWR had no significant contingency from welfare rights groups (e.g., Community for Creative Non-Violence), and liberal, feminist, racial justice and labor organizations were also left out of the official policy formation loop (e.g., 9 to 5, Americans for Democratic Action, the Center on Budget and Public Priorities, or the NAACP). At the same time, the most conservative think tanks placed no members on the WGWR (e.g., The Heritage Foundation, the Hudson Institute). Thus, one can say that the WGWR contained a highly select group of people who subscribed to a narrow vision of welfare issues.

Previous Occupations of Higher-Ranking Domestic Advisors

The pinnacle of Clinton's domestic policy team has more outright elites than the lower ranking officials on the WGWR (12 of the 25 highest officials were executives and lawyers). The six business types came from some of the largest corporations in the nation (e.g., Chief of Staff McLarity was the CEO of Arkala Corp. and Mississippi River Transportation, Economic Council Chair Robert

Rubin was a Wall Street investor as Vice Chair at Goldan, Sachs, and Co., and Treasury Deputy Roger Altman was a VP at Blackstone Investment Company). Meanwhile, the six lawyers had resumes filled with numerous corporate engagements (e.g., the Commerce Secretary divided his time between lawyering at Patton, Boggs, and Blow, advising the Federal Home Loan Bank, and chairing the Democratic National Committee while Hillary Rodham Clinton served as an executive at Wal-Mart, TCBY, and Lafarge Corp. when she was not lawyering at the Rose Law Firm). (See Table 2.)

While 48% of Clinton's top advisors were unadulterated elites, many of the other professionals routinely moved between business, political and university systems. Three of the nine politicians had had stints in the corporate world (e.g., millionaire Treasury Secretary Bentson was the CEO of the investment firm Lincoln Consolidated, while OMB Deputy Director Alice Rivlin was a board member for Union Carbide). Two of the four academics were tied to

TABLE 2. Primary Occupations and Group Affiliations of "Vital" Domestic Advisors

A. Occupation	*N*
Politics	9
Business	6
Law	6
University	4
B. Policy Group (2 or more members)	
Council on Foreign Relations	4
Brookings	2
Children's Defense Fund	2
Democratic Leadership Council	2
Trilateral Commission	2

Wall Street (Labor Secretary Robert Reich has over a million dollars in stock investments, and HHS secretary Donna Shalala was on the board of directors for M & I Bank). Thus, when examining the entire careers of these associates, it appears that only eight of the twenty-seven closest domestic advisors have no obvious connections to big business.

Policy Group Connections of Higher Ranking Domestic Advisors

The presence of four Council of Foreign Relations (CFR) members should come as no surprise. The CFR, with its proclivity toward global economic expansion, has been a prominent force in numerous presidential cabinets. In fact, CFR has historically been able to push for NATO, the World Bank, the Marshall Plan, and free trade with China by placing hundreds of its members into the federal hierarchy (Shoup and Minter, 1977; Domhoff, 1983; Jenkins and Eckert, 1989; Burris, 1992, Harwood, 1993).

While most CFR members focus on foreign policy, some set their sights on domestic issues. In 1991, the CFR journal *Foreign Affairs* warned that the American labor pool was untapped and that the government ought to rectify the "inadequate training and poor motivation" found in the American population (Hyland, 1991, p. 140). More recently, 47-year CFR member George Kennan warned that "worker laziness" is the biggest problem in the nation (1994, p. A17).

The CFR is centrally located in a network of corporate sponsors. The group was formed by David Rockefeller of Chase Manhattan Bank and is presently chaired by Peter Peterson of Lehman Brothers, Bell and Howell, General Foods and Minnesota Mining. In the early 1980s, the CFR's membership list stretched into executive boards of 21 of the largest banks, 16 of the largest insurance companies, and 22 of the largest manufacturing companies (Domhoff, 1983), while trustees in the 1990s maintained executive positions at TIAA-CREF Insurances, Ford, Johnson and Johnson, IBM, Prudential, Bell South, Coca-Cola, Times Mirror, Corning Glass, and Metropolitan Life (Dye, 1995).

The Trilateral Commission is a transnational extension of the Council of Foreign Relations. This CFR hybrid was envisioned as the setting which would bring together the leaders of the world's largest multinational corporations. Trilateral organizer, David

Rockefeller of the Chase Manhattan Bank, achieved such a goal. Corporate executives from AT&T, Bechtel, ITT, Exxon, IBM, Xerox, General Electric, TRW, Archer McDonald's Midland, PepsiCo, Times Mirror, Washington Post, RJR Nabisco, Nissan, Toshiba, Toyota, Mitsubishi, Sony, Nippon Credit, Fuji Bank, Fiat, Nippon Steel, Corning, Royal Dutch Petroleum and others have joined the Trilateral Commission (Gill, 1990; Mills, 1992; Nelson, 1993; Dye, 1995).

The Children's Defense Fund (CDF) is the final group with a presence in Clinton's domestic policy team. Unlike the aforementioned groups, the CDF has a reputation for being an advocate for "traditional" liberal causes. In pamphlets, books, and public addresses, the CDF tried to ignite grassroots movements which challenged the doctrines of Reagan and Bush. In its typical progressive fashion, the CDF's 1990 agenda called for a supplemental tax credit for low income families, increased appropriations for child care, the full immunization of children, and the expansion of WIC and Medicaid programs (CDF, 1990, p. 17). In a similar light the 1992 CDF book, *Affirmative Options for Welfare Programs*, argued against the cutting of already "immorally low" AFDC benefits (p. 3). Moreover, the CDF insisted all AFDC time limits should be abolished and educational programs for AFDC recipients ought to be voluntary. Then the CDF called for a liberalization of eligibility rules for unemployment compensation and a large increase in the minimum wage.

DISCUSSION

At a general level, it is clear that Clinton's domestic policy team is predominantly filled with elite figures. Yet, the frequency of corporate types varies among the layers of the policy formation team. Fifty-nine percent of the WGWR members are academic and political types with no known corporate connections. However, many of these policy experts teach at elite schools and belong to policy groups which embrace welfare measures previously endorsed by conservative Republicans (see Morris & Williamson, 1987; Iatridis, 1988; Midgley, 1992; Fraser, 1993; Withorn, 1993). Conversely, the upper echelons of the cabinet were inundated with corporate connections (17 of 25 had operated as corporate elites). From these data one can argue that the stratum of lower level policy makers is divided between elites and non-elites, while the gate-keeping posts are dominated by corporate elites.

Of course, there are limitations to a policy formation model derived from the tallying of career histories. First, the information found in the *Who's Who* directories is furnished by the officials themselves, and some of these submissions may lack candor (politicians may try to conceal some information). Second, the data only examines the official statuses of administrators and ignores the role of informal networks. That is, other forms of elite involvement may be neglected since this study cannot reveal the extent in which people were lobbied by their corporate buddies (e.g., George Stephanopoulos could have received a phone call from a friend who runs Exxon). Finally, membership on the WGWR does not mean that one actually influences policy since leadership may routinely reject the comments of marginalized colleagues.

While future studies may resolve these shortcomings, some newspapers hint that the more progressive members of the WGWR were excluded from the policy formation process. In January of 1994, several "high ranking" Health and Human Service officials anonymously complained that the WGWR never listened to their suggestions (DaPerle, 1994a).[5] Six months later, David Ellwood told the *New York Times* that his co-chair Bruce Reed was a "right-wing hack" who never intended to incorporate liberal suggestions into the WGWR proposal (DaPerle, 1994d). *Los Angeles Times* reporter Elizabeth Shogran surmised that the "administration has repeatedly stressed its preference for an 'inclusive' style of policy making . . . [but] in reality only the three chairmen [sic] and few others had any influence" (1994, p. A5). Yet, the strongest evidence of a minimal liberal influence is the recognition that the WGWR proposal mirrors earlier Democratic Leadership Council documents. In fact, the proposal seems like a replica of the previous writings of DLC president Al From (1993) and the policy statements in the DLC's magnum opus, *Mandate for Change* (Marshall & Kamarck, 1993).[6]

If the DLC policy predated the WGWR's creation, then one might ask "Why create the WGWR?" While this study cannot gauge Clinton's intentions, Bob Woodward's (1994) ethnography suggests that the formation of the WGWR was a deliberate political ploy. By creating a task force, Clinton could give the impression of "doing work" while delaying any moves toward real legislative action (Clinton was already trying to move other bills through a cantankerous Congress in 1994). Moreover, Clinton may have hoped that he could gain voter support by voicing anti-welfare platitudes, and that such support would let him postpone a serious push toward "real" welfare reform (for a discussion of the ritualistic nature of welfare reform, see Handler and Hasenfeld, 1991).

These findings should raise serious political questions. The elitist nature of a Democratic administration may alarm those who desire a participatory democracy. Moreover, the conservative nature of Clinton's presidency ought to compel liberals and progressives into assertive political mobilizations. In short, we might have to reject the simple notion of voting Democratic and revitalize the social movements which might force the oligarchy into enacting just and compassionate policies.

NOTES

1. In a case study of New York, Annette Fuentes (1997) discovered that Mayor Giuliani had replaced 11,000 unionized city employees with lower paid workfare participants (union secretaries made $12.32 an hour while workfare moms were paid $1.80). Another study predicted the loss of real incomes due to the Personal Responsibility Act (Mishel & Schmitt, 1995). When combining estimates of how many unemployed people would be required to enter the workforce (n = 928,000) with the wages of lowest paying jobs, these authors found that the influx of new workers would probably create an 11.9% decrease in the salaries of people in the lowest incomes (the average salary for the people in the lowest 30th percentile of workers would drop from $5.47 to $4.82 an hour). Even more shocking is that states with higher AFDC roles would experience larger income drops (California 17.8%, New York 17.1%, Illinois 12.9%).

2. For example, there is a large number of political sociologists who argue that the New Deal and the War on Poverty were conceived and enacted by corporate players (Zeitlin, 1980; Quadagno, 1984; Levine, 1988; Domhoff, 1990; Hooks, 1990; Webber, 1991; Brents, 1992; Hill et al., 1995; Quadagno, 1996).

3. This design was predicated on the premise that the frequency of corporate interlocks may vary among the separate levels of the bureaucracy (i.e., cabinet secretaries and assistant undersecretaries may display dissimilar career paths).

4. Since the definition of political careers may not be self-evident, I considered

the jobs of "lobbyist, think tank organizer, elected official, and legislative aid" a political career.

5. By June of 1994 several WGWR members broke their vows of silence and lambasted the "cutting of older programs to pay for this new one," said the pregnancy prevention plan was "based on fantasy," and called the two-year limit "cruel" (DaPerle 1994c).

6. Ironically, when the WGWR's proposal went before Congress, the DLC pretended that they were simply an outside interest group which was "strongly supporting President Clinton's goals" (U. S. House, 1994, p. 1497). In their disposition they forgot to mention that their strong support was related to the fact that their ideas became the blueprint of the proposal.

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