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THE SANCTITY OF WORK

by

MICHAEL A. LEWIS

A dissertation submitted to the Graduate Faculty in Sociology
in partial fulfillment of the requirements for the degree of
Doctor of Philosophy, The City University of New York

1995

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Abstract

THE SANCTITY OF WORK

by

Michael A. Lewis

Adviser: Distinguished Professor Frances Fox Piven

During the period from 1967 to the present, the U.S. government has been instituting mandated welfare-to-work programs in an effort to move public assistance recipients off the welfare rolls and into the labor force. Mandated welfare-to-work programs are welfare reform programs which require welfare recipients to engage in some type of work preparation activity as a condition of receiving public assistance benefits. I argue that these programs have done little to promote work among welfare recipients and that this is mainly do to the fact that they fail to address key circumstances in the lives of welfare recipients which make it difficult for them to work. I also argue that the main function of these programs has been their ability to promote and reinforce the belief that able-bodied adults are morally obligated to work for their subsistence.

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INTRODUCTION

During the 1992 Presidential race, Bill Clinton told us that if elected he would, "end welfare as we know it." At this writing, he has put together a group who is trying to help him make good on his promise. President Clinton has informed us that his welfare reform plan would limit the amount of time an individual could receive welfare to two years, after which that individual would be required to go to work. During their two year stay on welfare, recipients would be required to enroll in a job training and/or educational program. They would receive child care support to make this possible. The job training and/or educational program would, supposedly, curtail "welfare dependency" by providing the skills which would allow recipients to make the move from welfare to work.

The results of the mid-term elections of 1994 left the Republicans with majorities in both chambers of Congress. Republicans in the House of Representatives have proposed a bill called the Personal Responsibility Act. One of the components of this bill is the requirement that all welfare recipients work 35 hours a

week for their welfare grant.

States and localities across the nation are proposing reforms of welfare which would require recipients to work in return for their benefits. For example, Governor Pataki of New York State and Mayor Guliani of New York City are both interested in requiring general assistance recipients to work in return for their benefits.

The approaches to welfare reform which have been proposed by President Clinton, Republicans in Congress, and many of the nation's state and local officials have been tried before. The Work Incentive Now (WIN) program which was enacted in 1967, the 1980s WIN demonstrations, and the Job Opportunities and Basic Skills (JOBS) component of the 1988 Family Support Act all embodied these approaches. These types of welfare reforms are frequently referred to as mandatory or mandated welfare-to-work programs. These programs are referred to as mandatory because welfare recipients are required to take part in them and risk the loss of a portion of their benefits if they refuse to do so. A major focus of the present work will have to do with the employment impact of previous mandatory welfare-to-work programs (e.g.,

WIN, etc.). More specifically, I will be concerned with the following question: to what extent have these programs promoted work among welfare recipients? I focus on this question because I am interested in determining whether or not the evidence on the employment impact of these previous programs suggest we should be optimistic regarding the extent to which current mandated welfare-to-work proposals are likely to promote work among welfare recipients.

Proponents of mandatory welfare-to-work programs apparently base their advocacy of such plans on a key presupposition: the notion that in the absence of publicly sanctioned requirements to prepare themselves to make the transition from welfare to work, welfare recipients would not engage in such preparation but would, instead, stay home and do "nothing." The reason welfare recipients would stay home and do nothing is because, due to the fact that it provides income to people without their having to work for it, welfare creates a disincentive to work. This perspective raises the issue of the relationship between welfare and work. Another focus of the present work will be an examination of this crucial issue. I will examine the welfare/work

relationship by addressing the following questions:

- 1) what are the labor market experiences of welfare recipients?
- 2) what is the nature of the employment of welfare recipients (e.g., wages, benefits, etc.)?
- 3) what are the preferences of welfare recipients regarding work versus welfare?
- 4) what are the personal circumstances which affect the labor force participation of welfare recipients?

Welfare is a term which is often used to refer to a cash social program, which primarily benefits poor women and their children, called Aid to Families with Dependent Children (AFDC). I will use the term to refer to this program in the present work. I will also use it to refer to three other social programs: Aid to Families with Dependent Children and an Unemployed Parent (AFDC-UP), General Assistance, and Mother's or Widow's Pensions. AFDC-UP provides cash benefits to couples (along with their dependents) with unemployed breadwinners. General assistance provides cash benefits to childless indigent adults. Mother's or Widow's pensions were the precursors

of the AFDC program.

In chapter 1, I will engage in a discussion of the historical development of mandatory welfare-to-work programs and a discussion of the works of social analysts who concern themselves with the relationship between welfare and work. These analysts have formulated the philosophical justification for mandatory welfare-to-work programs. I will begin the chapter by focusing on the descriptive aspects of the Mother's Pension and AFDC programs.

I will next focus on the enactment of the WIN program, in 1967, which marked the beginning of our current national preoccupation with trying to move welfare recipients into the labor market. More specifically, I will be concerned with the factors which led to the enactment of this crucial piece of legislation which were: 1) the 1960s expansion of the welfare rolls and 2) the changing demographic composition of the rolls.

I will then move into a discussion of the enactment of the Omnibus Budget Reconciliation Act (OBRA) of 1981, which sanctioned the WIN demonstrations, and the JOBS component of the Family Support Act of 1988. I will again focus on the factors which led to the enactment of

these pieces of legislation paying particular attention to the "new consensus" regarding the social obligations of welfare recipients and the post World War II (post-WWII) movement of women into the labor force. Chapter 1 will be concluded with my discussion of the works of noted social analysts who concern themselves with the relationship between welfare and work.

In chapter 2, I will address the issue of the employment impact of mandatory welfare-to-work programs in the U.S. from the time of the enactment of WIN to the present. I will do this by way of a critical review of a number of studies which have attempted to assess the extent to which mandatory welfare-to-work programs have promoted work among welfare recipients. On the basis of these studies I will argue that mandatory welfare-to-work programs have done little to promote work among welfare recipients.

Chapter 3 will contain my findings from some interviews I conducted of current and former welfare recipients. I will focus primarily on the following four areas:

1. the labor market experiences of these respondents

2. the types of jobs they have obtained
3. their preferences regarding working versus being on welfare
4. the personal circumstances which affect their ability to be in the labor force

In chapter 3, I will also discuss some of the policy implications of my findings. A significant part of this discussion will involve an attempt to utilize these findings to draw some tentative conclusions pertaining to why the work promotion record of mandated welfare-to-work programs has been so poor.

Chapter 4 will focus on the economic developments which have provided the context within which we have been trying to move welfare recipients from welfare to work. More particularly, the developments focused on will be crucial changes in the structure of the labor market. I will argue that these changes have resulted in a labor market characterized by an increasing number of part-time, temporary, and low wage jobs.

Chapter 5, my concluding chapter, will include a discussion of what I take to be the main social significance of mandatory welfare-to-work programs. I

will argue that this significance has very little to do with the extent to which these programs promote work but much more to do with a crucial cultural function they serve: the promotion of what I refer to as the ideology of the sanctity of work. I will relate this cultural function to the economic developments discussed in chapter 4, and I will argue that the cultural function of mandated welfare-to-work programs accounts for the narrowness of the current public debate around the issue of welfare reform.

CHAPTER 1

DEVELOPMENT OF MANDATORY WELFARE-TO-WORK PROGRAMS

The U.S. government, at all levels, is currently preoccupied with trying to move welfare recipients from the welfare rolls to the pay rolls. The way by which the public sector is trying to facilitate this type of movement is through the implementation of mandatory welfare-to-work programs. At earlier points in our history, public authorities exhibited less concern about this issue. They viewed welfare benefits as necessary to allow women to stay home and take care of their children. In other words, there was a time when female welfare recipients were not expected to work.¹

Descriptive Aspects of Welfare

The precursors of the current AFDC program were a

¹. Katz, Michael B. In the Shadow of the Poorhouse. New York: Basic Books, 1986.

Garfinkel, Irwin and McLanahan, Sarah. Single Mothers and their Children. Washington, D.C.: The Urban Institute, 1986.

Trattner, Walter. From Poor Law to Welfare State: A History of Social Welfare in America. New York: The Free Press, 1989.

set of public assistance programs known as Mother's or Widow's Pensions. These programs were means-tested, which is to say that only individuals with incomes below a certain amount were eligible for them. The programs were sanctioned and administered by the states, and they served, primarily, white widows with young children. As of 1931, 82% of those aided by the programs were widow's, and 3% of them were black.²

The significant thing about the Mother's Pensions was that the purpose behind their enactment was to allow single women the opportunity to stay home with their children (it should be stated, though, that state Mother's Pension programs did not serve a large number of recipients--see Piven and Cloward, 1983, for a discussion of this important issue). In principle, Mother's Pensions did not exhibit a concern about moving beneficiaries into the labor market.³ In other words, at this point in our history, we did not appear to be interested in providing the Widow's who were receiving benefits with incentives to go to work.

In 1935, the Social Security Act was passed. This

². *ibid.*; Garfinkle, Irwin and McLanahan, Sarah, 1986.

³. *ibid.*; Garfinkle, Irwin and McLanahan, Sarah, 1986.

piece of legislation sanctioned the establishment of a means-tested social welfare program called the Aid to Dependent Children (ADC) program. The ADC program was essentially Mother's Pensions in a slightly different form. This difference in form has mainly to do with greater federal involvement in the ADC program than in the Mother's Pensions (I will say more about this below). The ADC program was ostensibly enacted to provide financial assistance to needy children who were deprived of parental support because of the death, incapacity, or absence of a parent.⁴

When the ADC program was first implemented its beneficiaries, as with Mother's Pensions, were primarily white widows. This was the case because, at the time, most of the nation's African-Americans resided in the South, particularly the rural South, and were workers in the agricultural sector of this region. Under ADC rules, states were allowed to determine who would be eligible for the program and how much assistance eligible individuals would receive. Such a programmatic structure allowed southern political economic elites to deny ADC

⁴. Dolgoff, Ralph; Feldstein, Donald; and Skolnick, Louise. Understanding Social Welfare. New York: Longman, 1993.

benefits to blacks in an effort to pressure them into the low wage sector of the rural economy. A number of states also instituted rules which stipulated that only women in suitable homes were allowed to receive benefits (the continuation of a practice from the Mother's Pension era). At the time divorced and never-married women were generally not considered to be residing in suitable homes.⁵

The ADC program initially provided resources for children but not the custodial parents of these children. Currently, the program is called the Aid to Families with Dependent Children (AFDC) program. This name change occurred as a result of the fact that, in 1950, the program began providing benefits for the custodial parents of children as well as the children themselves.⁶ In 1961, the Aid to Families with Dependent Children with an Unemployed Parent (AFDC-UP) program was created. This program allows two-parent families in which the

⁵. Piven, Frances Fox and Cloward, Richard A. Regulating the Poor. New York: Vintage Books, 1971 and 1971.
Abramovitz, Mimi. Regulating the Lives of Women. Massachusetts: South End Press, 1988.

⁶. *ibid.*; Garfinkle, Irwin and McLanahan, Sarah, 1986.

breadwinner is unemployed to obtain benefits.⁷ To say that this program was created means that the federal government agreed to provide assistance to states who chose to enact this program. States were not required to institute the program (this changed as a result of the Family Support Act), and in fact, as early as 1969, only twenty-four states had made use of the new option.⁸

AFDC is ostensibly designed to promote the care of children in their own homes or in the homes of relatives. It does so by helping states provide the financial assistance and other services to children in need and to the parents or relatives with whom they are living. The basic eligibility requirement is that children in need are deprived of support because of the incapacity (physical or mental), death, continued absence, or unemployment of a parent. A child must be under eighteen years old to qualify for AFDC although some states cover eighteen year olds who are full-time students in secondary schools, vocational programs, or technical training programs who are expected to finish their course

7. *ibid.*; Trattner, Walter, 1989.

8. *ibid.*; Piven and Cloward, 1971.

of study before they reach their nineteenth birthday.⁹

The primary AFDC benefit is a cash payment which is usually made directly to the recipient family. This check is supposed to cover rent, food, fuel, and other daily expenses. AFDC recipients without cooking facilities are typically entitled to a restaurant allowance. AFDC recipients are also automatically eligible for Medicaid (a program which provides free health care for the poor) and food stamps (a program which provides food vouchers for the poor).¹⁰

The costs of the AFDC program is born by state governments and the federal government. The amount of state AFDC costs paid for by the federal government depends on the per capita income of a given state. The higher the per capita income of a state, the lower the share of its AFDC costs paid for by Washington.¹¹

Expansion of Welfare Rolls and Attempts to Move

⁹. *ibid.*; Dolgoff, Ralph; Feldstein, Donald; and Skolnick, Louise, 1993.

¹⁰. *ibid.*; Dolgoff, Ralph; Feldstein, Donald; and Skolnick, Louise, 1993.

¹¹. *ibid.*; Dolgoff, Ralph; Feldstein, Donald; and Skolnick, Louise, 1993.

Recipients to Work

In December 1940, there were 360,000 families on the welfare (ADC) rolls. By December 1950, there were 635,000 families on the rolls. By 1960, there were 742,950 families on the rolls. The AFDC rolls had increased to 3 million families by 1972.¹² Not only did the welfare rolls increase, but the composition of the rolls changed dramatically. By 1973, widow's were no longer the largest proportion of welfare recipients, and the proportion of blacks on the rolls constituted a little less than half of all recipients. At this time, only 4% of adult welfare recipients were widow's, 17.7% were divorced, 28.8% were separated, 31.5% were never-married, and 45.8% were black.¹³ The increase in the number of families on the welfare rolls and the change in the demographic characteristics of those on the rolls had some important consequences. One of the most important ones was that expenditures for welfare benefits increased

¹². Piven, Frances Fox and Cloward, Richard A. Poor People's Movements. New York: Vintage Books, 1979.

¹³. U.S. Dept. of Commerce/Bureau of the Census. Statistical Abstract of the United States. Washington, D.C.: U.S. Dept. of Commerce/Bureau of the Census, 1980.

dramatically. In 1950, the (adjusted for inflation) amount the federal government spent on AFDC was \$1.7 billion. By 1960, this amount was \$2.7 billion, and by 1975, this amount was \$12.2 billion.¹⁴ This increase resulted, as early as the 1960s, in an effort to move welfare recipients from the welfare rolls to the pay rolls.

The effort to move welfare recipients from welfare to work culminated in the enactment of the first federal level mandatory welfare-to-work program in the U.S. This program was called the Work Incentive Now (WIN) program, and it was enacted in 1967. The WIN program was designed to train welfare recipients for work and place employable recipients in occupational settings.¹⁵ The enactment of the WIN program officially marked the beginning of our national preoccupation with trying to move welfare recipients from welfare to work.

The WIN legislation required the participation of welfare recipients whose youngest child was six or older. If a recipient failed to take part in the program after

¹⁴. *ibid.*; Garfinkle, Irwin and McLanahan, Sarah, 1986.

¹⁵. U.S. Congress, House Committee on Ways and Means. Social Security Amendments of 1967. Washington, D.C.: U.S. Congress, 1967.

having been required to do so, the legislation allowed states to sanction that recipient by curtailing her/his portion of the family welfare benefit. The WIN program authorized the provision of the following services to welfare recipients: vocational training (in classroom settings), on-the-job training, pre-vocational training, and general educational services.¹⁶

At the time the WIN program was initially passed, it focused mainly on a few categories of welfare recipients. One category was unemployed fathers on the AFDC-UP program. The other categories WIN initially focused on were children over 16 years of age who were neither working nor in school, and volunteer mothers with school age children. The WIN legislation stipulated that child care services (e.g., assistance in finding child care) be provided to recipients when necessary to allow them to take part in the program.

In 1975, the WIN legislation was amended. The 1975 amendments sanctioned a deemphasis on institutional (e.g., classroom) vocational training services and an emphasis on job search services and on-the-job training.

¹⁶. *ibid.*; U.S. Congress House Committee on Ways and Means, 1967.

Job search services refer to those services which are designed to teach recipients how to find and obtain a job (e.g., teaching them how to read the "Want Ads", how to speak with prospective employers on the phone, etc.) The 1975 amendments also established the requirement that new Aid to Families with Dependent Children (AFDC) applicants register with the WIN program as a condition for entitlement to benefits.¹⁷

As I will document in a later chapter, the WIN program did not do much to promote work among welfare recipients. In 1969, President Richard Nixon proposed a welfare reform plan which he thought would assist the indigent and, at the same time, provide incentives which would lead more of them to go to work. His plan was a negative income tax scheme which came to be known as the Family Assistance Plan (FAP).¹⁸

The main features of FAP consisted of a guaranteed income for families with children, regardless of whether or not the family head was employed. The guaranteed

¹⁷. Rein. Mildred. Dilemmas of Welfare Policy. New York: Praeger Publishers, 1982.

¹⁸. Burke Vincent J. and Burke, Vee. Nixon's Good Deed. New York: Columbia University, 1974.

income level would have been \$1,600 for a family of four. What this means is that families with an income of less than this amount would have received a cash benefit from the government to bring their incomes up to at least this level. Childless couples and the single poor would not have been entitled to this benefit. The plan would have replaced the AFDC program. Recipients would have been entitled to Medicaid, food stamps, public housing, and other social services. The plan would have provided a work incentive by excluding the first \$720 earned and a 50% tax on each additional dollar earned. When a family of four's annual income reached \$3,920, that family would no longer have been eligible for the program. The plan would have required states with higher AFDC benefits than stipulated by the bill to maintain them and extend them to families with unemployed fathers. It would, however, have provided fiscal relief to states. Every state would have been required to spend at least 50% of the amount it was spending under the AFDC program at the time, but no state would have been required to spend more than 90% of its AFDC expenditures.¹⁹

FAP also adopted some of the components of the WIN

¹⁹. *ibid.*; Burke and Burke, 1974.

program. Specifically, it adopted the WIN program's work requirements. Under the FAP plan, a family's failure to register with the local public sector employment office or to accept suitable employment without a "good" reason would result in that person's not being counted in the family's eligibility for FAP benefits. In addition, the FAP plan provided funding for job training and child care.²⁰

FAP was passed in the House of Representatives in April of 1970. It was defeated in the Senate Finance Committee. A revised bill was introduced in Congress in January of 1971. It established a minimum annual income guarantee of \$2,400 for a family of four, but eliminated eligibility for food stamps. It contained no requirement that states continue any benefits above the federal floor, but it gave them an incentive to continue supplementing by guaranteeing that if a state expanded the supplementary benefits in the future it would not have to spend more than it did in 1971. The revised bill also tightened work requirements by requiring women with children over the age of three rather than six to register for programs to upgrade their skills. This

²⁰. *ibid.*; Burke and Burke, 1974.

version of FAP also ultimately failed to be enacted.²¹

The reasons for the failure of FAP to pass have been debated by a number of social analysts.²² There is no need for me to enter into this debate for present purposes. Let it suffice for me to say that most of the analysts who have addressed this issue believe that FAP failed to pass because conservative members of Congress from the South and northern liberals, including representatives of the National Welfare Rights Organization, mobilized to defeat the legislation. Southern members of Congress were against the legislation because they believed it would have curtailed the ability of southern elites to obtain cheap labor. Northern liberals were against the legislation because they thought it would have led to a reduction of welfare benefits in northern states which provided cash benefits above FAP's minimum income level.

²¹. *ibid.*; Burke and Burke, 1974.

²². *ibid.*; Burke and Burke, 1974.

Handler, Joel F. and Hasenfeld Yeheskel. The Moral Construction of Poverty. California: Sage Publications, 1991.

Moynihan, Daniel Patrick. The Politics of a Guaranteed Income: The Nixon Administration and the Family Assistance Plan. New York: Random House, 1973.

In 1977, President Jimmy Carter also made an attempt to reform welfare. Carter's plan was called the Program for Better Jobs and Income (PBJI), and it was intended to replace the welfare system with his version of a guaranteed income. PBJI classified poor people into two groups, depending on their employment potential. Each group was to be provided with a different mix of support.²³

Tier 1 families were headed by those not expected to work for subsistence. Such families were made up of the aged, blind, disabled, and single-parent families with children under seven years of age. Under Carter's proposal, such families would have been provided with a basic income guarantee of \$4,200/year (for a family of four) with a marginal tax rate of 50%. In this context the marginal tax rate refers to the percentage of the income guarantee which would have been lost by a recipient for each additional dollar of their earnings. At an income of \$8,400/year a family of four would have lost its eligibility for the program.²⁴

²³. Schiller, Bradley. The Economics of Poverty and Discrimination. New Jersey: Prentice-Hall, Inc., 1989.

²⁴. *ibid.*; Schiller, 1989.

Tier 2 families were headed by those expected to work. These families included two-parent families, single-parent families with children older than seven, single individuals, and childless couples. Under Carter's proposal, such families would have been provided with a basic income guarantee of \$2,300/year. Their marginal tax rate would have been zero on their first \$3,800 of earnings. Once their income reached \$6,100 their earnings would have been taxed at a rate of 50%. Tier 2 families would have also lost their eligibility for the program once their incomes reached \$8,400/year.²⁵

In order to make his welfare reform program work Carter felt he had to find some way to guarantee jobs. Thus, he proposed to create 1.4 million jobs in the public sector. These jobs would have been temporary and would have paid the minimum wage.²⁶

President Carter's reform plan failed to get Congressional support and was not enacted. Some of the major criticisms were that it was too expensive, its work requirements were not strong enough, it did not provide

²⁵. *ibid.*; Schiller, 1989.

²⁶. *ibid.*; Schiller, 1989.

enough jobs, and its benefits were too low.²⁷

When Ronald Reagan began his tenure as President he too attempted to reform the welfare system. Initially, he attempted to do this by getting the federal government out of the business of providing welfare benefits. His vision was to have states become completely responsible for the provision of such benefits.²⁸

Reagan was not able to get Congress to support this vision, but he was able to get it to support the idea of providing more "flexibility" to states to allow them to experiment with different ways of providing welfare benefits. Like a number of Presidential welfare reformers who came before him, Reagan, too, was interested in moving welfare recipients from welfare to work. Thus, his endorsement of state flexibility was grounded in a desire to allow states the opportunity to try more "innovative" ways of moving welfare recipients from the welfare rolls to the payrolls. Reagan's desire was realized in the Omnibus Budget Reconciliation Act (OBRA) of 1981.

²⁷. *ibid.*; Schiller, 1989.

²⁸. Bell, Winifred. Contemporary Social Welfare. New York: Macmillan Publishing Company, 1987.

This piece of legislation allowed states to set up mandatory welfare-to-work programs on an experimental or demonstration basis. These programs did not have to be structured in accordance with the rules/regulations which governed the structure of WIN. They came to be referred to as the WIN demonstrations and were developed in an effort to examine a number of welfare reform approaches to see which ones were most effective. For present purposes, effectiveness had to do with the extent to which these different approaches curtailed welfare dependency by promoting work. The WIN demonstrations had different programmatic structures, but a general feature of many of them was a requirement that welfare recipients enroll in some type of work preparation activity. Those who refused to do so stood the risk of losing their benefits. As we will see, the WIN demonstrations did little to move welfare recipients to work.

Toward the later 1980s, welfare reform once again made it onto the national political agenda. By this time a "new consensus" had developed around this issue. This consensus centered on the notion of mutual obligations. Both liberals and conservatives arrived at the position that government has an obligation to provide assistance

to its needy citizens and that such citizens have an obligation to government. According to the new consensus, in return for financial assistance and other services (e.g., support for child care) welfare recipients are obligated to work or prepare themselves for work.

The new consensus was legitimated by an important demographic development. The development being referred to is the increasing movement of women into the labor force over the last three decades. In 1947, 31.8% of U.S. women were in the labor force. By 1984, this figure had increased to 53.5%. By this time, two-thirds of women ages 25 to 54 were employed. Three out of every five women with children were working, 46% with children under three and 52% with children under six.²⁹ Given this movement of women into the labor force, for many it became difficult to justify allowing welfare recipients, most of whom are women, to stay at home while other women were going out to earn their living.³⁰

²⁹. Sidel, Ruth. Women and Children Last. New York: Penguin Books, 1992.

³⁰. Novak, Michael. The New Consensus on Family and Welfare. Washington, D.C.: American enterprise Institute, 1987.

Both President Ronald Reagan, a Republican, and New York Senator Daniel Patrick Moynihan, a Democrat, were parties to this new consensus. Moynihan wrote, forty other senators co-sponsored, and Reagan eventually signed into law a plan to realize the vision of this new consensus. This plan was the Family Support Act (FSA) of 1988.³¹

In regard to the AFDC program, the law requires recipients whose youngest child is three years of age or older (or one year of age or older at state option) to participate in activities of the JOBS program. Those who refuse to participate stand the risk of losing their benefits. By the current year 1995, states are suppose to have enrolled 20% of their AFDC recipients in some type of JOBS program activities. JOBS activities include general educational services, vocational training, job placement services, and it also allows states to require recipients to work in return for their welfare benefits (a practice commonly referred to as workfare).³²

³¹. Amott, Teresa. "Black Women and AFDC: Making Entitlement Out of Necessity." Gordon, Linda (editor). Women, the State, and Welfare. Wisconsin: The University of Wisconsin Press, 1990.

³². U.S. Congress. The Family Support Act. Washington, D.C.: U.S. Congress, 1988.

Regarding the AFDC-UP program, the law requires all states to provide AFDC-UP benefits to eligible families for at least six months of the year. Before passage of the Family Support Act, state implementation of AFDC-UP programs was optional. Another of the provisions of the law is that states must require at least one of the parents in AFDC-UP families to participate in a workfare program. States are granted the option of requiring participation by one or both parents in one or more JOBS program activities for up to 40 hours per week per person.³³

The Family Support Act also contains provisions regarding child care. Recipients of welfare benefits can only be required to participate in JOBS program activities if they are able to obtain child care. State welfare personnel are required to assist welfare recipients in their efforts to obtain child care, and the federal government provides some limited funding for the child care expenses of recipients. Welfare recipients who obtain employment are entitled to continue receiving

³³. U.S. Congress. The Family Support Act. Washington, D.C.: U.S. Congress, 1988.

child care assistance for up to a year.³⁴

In order to provide more of an incentive for welfare recipients to seek work, the Family Support Act also contains provisions regarding medical assistance. Welfare recipients who obtain employment are entitled to continue receiving Medicaid benefits for up to one year. However, states may charge a premium to the former recipient if her/his family's gross monthly wages/salary (wages/salary minus child care cost) are greater than 100% of the official federal poverty line applicable to a family of the same size.³⁵

The WIN program, WIN Demonstrations, and the JOBS program were all considered to be major welfare reform initiatives. Proponents of these types of initiatives have typically argued that they curtail welfare dependency by promoting work. Some of these proponents (e.g., President Clinton) are politicians. Others are members of the community of academics or journalists.³⁶

³⁴. *ibid.*; U.S. Congress, 1988.

³⁵. *ibid.*; U.S. Congress, 1988.

³⁶. Mead, Lawrence. Beyond Entitlement: The Limits of Benevolence. New York: Free Press, 1986.

Mead, Lawrence. The New Politics of Poverty. New York: Basic Books, 1992.

Butler, Stuart and Kondratas. Out of the Poverty Trap.

These individuals have written the analytical works which serve as the intellectual basis for the policy preferences of the politicians who are proponents of mandatory welfare-to-work programs. They have, supposedly, conducted studies which have shown that the provision of welfare benefits causes recipients to be disinclined to work, and this has led many politicians to conclude that mandatory welfare-to-work programs are necessary to counter this disinclination.

According to Mead and the other academic/journalistic proponents of mandatory welfare-to-work programs, the welfare system, in the absence of work or work preparation requirements, creates a disincentive for recipients to obtain employment. In a "market economy" most able-bodied adults need to sell their labor in order to obtain the income necessary for them to meet their needs. For this reason, it could be said that a market economy disciplines such people in the sense that it puts pressure on them to behave in a particular way

New York: The Free Press, 1987.

Kaus, Mickey. The End of Equality. New York: Basic Books, 1992.

Adamec, Christine. "Workfare Works." Conservative Digest. (March, 1993).

(e.g., to work or seek work). What welfare does is shield some able-bodied adults from the discipline of the market because it provides them with an income which they do not find it necessary to work for. And because these adults do not find it necessary to work to meet their needs many of them choose not to do so. This, is why Mead, et al. have suggested that welfare creates a work disincentive.

This problem is viewed as relatively easy to resolve. Kaus, Mead, Butler and Kondratas, and Adamec all advocate the institution of some version of workfare which is the policy of requiring welfare recipients to work or (for broader definitions of the term) prepare for work in return for their benefits. Such a policy would allegedly promote work among welfare recipients by creating an incentive for them to seek work, preferably in the private sector.

CHAPTER 2
THE IMPACT OF WIN, THE WIN DEMONSTRATIONS
AND JOBS

The U.S. has been trying to move welfare recipients into the labor market by way of mandated welfare-to-work programs for almost thirty years now. At this point, we have a good deal of data on the employment impact of these programs, namely the WIN program, WIN demonstrations, and JOBS program. Thus, we are in a position to assess the extent to which mandatory welfare-to-work programs have promoted work among those on welfare.

The WIN Program

The first study I will discuss is one which was conducted by Audrey D. Smith.³⁷ Smith sampled 121 respondents in Chicago, Illinois. All of the individuals sampled by Smith had received services from the WIN program. She interviewed her respondents, on average, 18

³⁷. Smith, Audrey D. "Eighteen Months Later." Garvin, Charles D.; Smith, Audrey D.; and Reid, William J. (editors). The Work Incentive Experience. New Jersey: Allanheld, Osmun, and Co. Publishers, Inc., 1978.

months after their completion of the program.

Smith found that, subsequent to their participation in the program, 70% of her respondents were employed at the time they were interviewed. She also found that 75% of her sample held jobs at some point since their completion of the program. However, Smith found that only 36% of her respondents had worked continuously since leaving the program. When they were not working, all but six of Smith's respondents relied on welfare for financial support. In fact, 70% of Smith's respondents were on welfare at the time they were interviewed, and 60% of her sample had not been off welfare at any time since having left the WIN program.

Smith's study suffers from a serious methodological shortcoming. In her effort to assess the impact of the WIN program she only interviewed individuals who participated in the program. She did not interview a sample of individuals who did not participate in the WIN program but who were comparable to those who did. Such a group of individuals would have constituted what social scientists refer to as a control group. Had Smith utilized this methodological approach she would have been able to compare the WIN participants and non-participants

on her impact measures, and this would have lent more credibility to her conclusions regarding the impact of the program. Because of the fact that Smith failed to do this, we are not in a position to reach any secure conclusions regarding her findings.

In 1981, Barbara S. Goldman completed a study of the WIN program in Louisville, Kentucky.³⁸ Unlike Smith, Goldman did utilize the experimental methodological approach to conduct her study, which is to say she did compare a random sample of those who had received WIN program services immediately upon their welfare enrollment (experimental group) to a random sample of those who did not (control group). Thus, her study did not suffer from the methodological flaw which was mentioned above in regard to Smith's study.

The experimental group in Goldman's study received immediate job search assistance (e.g., resume preparation assistance, training on how to fill out job applications, job interview skills assistance, child care services, travel costs, etc.). The control group received the regular services offered to WIN program participants

³⁸. Goldman, Barbara. Impacts of the Immediate Job Search Assistance Experiment. New York: MDRC, 1981.

(e.g., general educational services, job training services, child care services, etc.); the fact that controls did not receive services immediately, meant that they could have waited anywhere from two to ten weeks for job search assistance. Goldman assessed the employment and welfare status of her respondents over a fifteen month follow up period. The purpose of Goldman's study was to determine whether the extent to which the WIN program moved participants from welfare to work could be increased by emphasizing the provision of immediate job search assistance.

Goldman found that for the period under investigation, on average, 36.6% of experimentals were employed in any one quarter whereas the comparable figure for controls was 31.2%. This 5.4 percentage point difference was a statistically significant one which suggest that the immediate job search assistance strategy was an effective one. Yet, if Goldman's data is presented a little differently it becomes clear that the effectiveness of the immediate job search assistance approach was minimal. If, on average, 36.6% of experimentals were employed in any one quarter, it follows that, on average, 63.4% of experimentals were not

employed in any one quarter. Thus, it appears that the "effective" immediate job search assistance approach left the majority of those who were exposed to it without work subsequent to their participation in this program. In other words, the extent to which the immediate job search approach promoted work was minimal.

In the Winter 1986 volume of Public Welfare, there is a study of the WIN program which was conducted by Daniel C. Hudgins who, at the time, was the Director of the Durham County Department of Social Services (DCDSS).³⁹ The DCDSS provided 25 WIN participants with specialized training to improve their employability in the electronics industry.

Hudgins followed these 25 individuals subsequent to the completion of their training in an effort to see how they fared. Twenty-four of the 25 former participants (96%) obtained employment. This is, obviously, a very high success rate, and this finding appears to provide support for those who argue that mandatory welfare-to-work programs promote work among welfare recipients. However, Hudgins' study suffers from a serious

³⁹. Hudgins, Daniel C. "Study Links Training and Reduced Dependency." Public Welfare. (Winter, 1986).

methodological flaw. He did not compare his 25 respondents to a control group which did not receive the specialized training. For this reason, it would be inadvisable to conclude that the specialized training is what accounted for Hudgins' 24 respondents having obtained employment. It could very well be the case that these 24 individuals would have obtained their jobs even if they had not received the training.

In 1972, Ronald Fine conducted a study on the impact of the WIN program for the U.S. Department of Health, Education, and Welfare.⁴⁰ His findings provide more reason to be doubtful regarding the extent to which mandatory welfare-to-work programs promote employment.

Fine randomly sampled individuals from three states (Florida, Michigan, and Minnesota). Some of these individuals were assigned to an experimental group. He compared them to a group of individuals who constituted his control group.

Ronald Fine took what is usually referred to as a

⁴⁰. Fine, Ronald. AFDC Employment and Referral Guidelines. Washington, D.C.: Institute for Interdisciplinary Studies, American Rehabilitation Foundation, U.S. Dept. of Health, Education, and Welfare (Contract No. SRS-69-59), 1972.

baseline measure of the employment levels of his two groups. A baseline measure is a measure of the level of some dependent variable before the manipulation of an independent variable (in this case exposure to the services of the WIN program) takes place. Fine found that 10% of his experimentals were employed before exposure to the WIN program. 19% of Fine's controls were employed prior to the exposure of experimentals to the WIN program.

Subsequent to their participation in the WIN program, 19% of experimentals were employed. The comparable figure for controls was 31%. Thus, the employment level of experimentals increased by nine percentage points whereas that of controls increased by 12%. This finding suggest the possibility that those who do not obtain mandatory welfare-to-work services stand a better chance of obtaining employment than those who do.

In this section, I have focused on what, to my knowledge, are the major employment impact studies of the, now defunct, WIN program. This overview has provided us with some crucial information. Two of the studies, because they suffered from serious methodological flaws, provide us with inconclusive

findings. The others provide us with reason to think that WIN did not do much to promote work among public assistance recipients.

The WIN program did not constitute the nation's only experience with mandatory welfare-to-work programs. During the 1980s, a number of states initiated mandatory welfare-to-work programs known as the WIN demonstrations. This development came about as the result of the federal level Omnibus Budget Reconciliation Act of 1981 which granted states the authority to experiment with different approaches to attempting to move more welfare recipients into the work force. What is known about the employment impact of these programs will be the focus of the next section of this chapter.

The WIN Demonstrations

This section will focus on the 1980s state level mandatory welfare-to-work programs known as the WIN demonstrations. The central concern will be the employment impact of these programs. More specifically, I will discuss what is known about the extent to which these programs moved their participants from welfare to work.

Much of what is known about the employment impact of the WIN demonstrations is found in studies which were conducted by analysts at the New York City based Manpower Demonstration Research Corporation (MDRC). This is the case because the federal government granted the MDRC a contract to evaluate these programs. The evaluations of the MDRC are considered the "state of the art" studies of the WIN demonstrations. For this reason, most of the studies discussed in the present section are ones which were conducted by MDRC researchers. Although these studies are considered state of the art, they do suffer from some important methodological problems.

The MDRC evaluations employed the experimental method of data collection. They all randomly assigned samples of welfare recipients to experimental or control groups. Those in experimental groups nominally received the services of a given WIN demonstration, but, due to the "no show" problem, this was not necessarily the case. This point requires some explanation.

MDRC researchers attempted to measure the employment impact of the WIN demonstrations by comparing the post-training employment experience of experimentals to, at the same point in time, the employment experience of

controls. A number of those assigned to WIN demonstrations' experimental groups did not show up for their training. When MDRC analysts attempted to assess the employment impact of these programs they looked at the impact for all those enrolled as experimentals, even those who had not shown up for training. Thus, the MDRC findings on the employment impact of the WIN demonstrations probably have underestimated the extent to which these programs promoted work because the findings do not just refer to experimentals who received training but to those who did not as well. As far as I know, no MDRC researcher, or other researcher for that matter, has determined the exact extent of such underestimation. The estimation problem notwithstanding, the MDRC studies are widely considered to be valid assessments of the employment impact of the 1980s WIN demonstrations.⁴¹

As the reader focuses on the results of the MDRC studies she/he is likely to notice that the employment impact of the different mandatory welfare-to-work programs vary. A number of factors might account for

⁴¹. Olikar, Stacey J. "Does Workfare Work? Evaluation Research and Welfare Policy." Social Problems. Vol.41 no. 2 (May, 1994).

this variation.

One factor might be the kinds of services emphasized by a given mandatory welfare-to-work program. Some focused mainly on providing recipients with job search and/or community work experience services (e.g., Arkansas, Cook County, San Diego I, San Diego SWIM, Virginia, and West Virginia); others focused more on the provision of educational and training services (e.g., Baltimore Options and California GAIN).

The job search service refers to the practice whereby program personnel instruct participants in job search techniques (e.g., interview skills, resume writing, how to make "cold calls" how to read the "Want Ads", etc.). The community work experience service is the traditional workfare approach which requires participants to work in return for their welfare check. The educational and training services provided were general adult educational services (e.g., G.E.D. preparation) and training in presumably marketable skills such as clerical skills training. The types of services emphasized by a mandatory welfare-to-work program might affect the extent to which it promotes work because certain kinds of services (e.g., general adult

educational services might better prepare trainees for work than other types of services (e.g., job search).

Another factor which might account for variation in the employment impact of mandatory welfare-to-work programs is the demands placed on program participants by program staff. Programs with staff members who are more strict regarding the application of sanctions for non-compliant participants might promote work to a greater extent than programs with staff members who are less strict.

The local economic context within which a particular program is in operation might also influence the extent to which a mandatory welfare-to-work program promotes work. In the table below one will probably notice that the San Diego SWIM program did a lot better than the West Virginia program in so far as it moved more people from welfare to work. This might have been due, in part, to the fact that, for the period under investigation, the unemployment rate was a lot higher in West Virginia than it was in San Diego.⁴²

Table 1B displays the findings on the employment impact of the mandatory welfare-to-work programs studied

⁴². *ibid.*; Handler and Hasenfeld, 1991.

by MDRC researchers. Table 1A displays the employment impact of only those mandated welfare-to-work programs which had a statistically significant impact on employment.

TABLE 1A FOR AFDC AND AFDC-UP RECIPIENTS

Mean Employment Rates for Mandatory Welfare-to-work Programs which had Statistically Significant Impact

AFDC Recipients

Experimentals	Controls
37.05%	31.11%

AFDC-UP Recipients

Experimentals	Controls
40.58%	33.86%

TABLE 1B FOR AFDC RECIPIENTS

Employment Impact of Mandatory Welfare-to-work Programs

Location, Outcome, Follow-Up Period	Experimental Group Mean	Control Group Mean	Diff
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Arkansas

Average Earnings Yr. 3	\$1,422	\$1,085	\$337
Employed at End of Yr. 3	24.5%	18.3%	6.2*

Baltimore

Average Earnings Yr. 3	\$3,499	\$2,989	\$510*
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Employed at End of Yr. 3	40.7%	40.3%	.4
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Cook County

Average Earnings Yr. 1	\$1,221	\$1,217	\$4
------------------------	---------	---------	-----

Employed at End of Yr. 1	22.6%	21.4%	1.2
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San Diego

Average Earnings Yr. 1	\$2,379	\$1,937	\$442*
------------------------	---------	---------	--------

Employed at End of Yr. 1	42.4%	36.9%	5.5*
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Virginia

Average Earnings Yr. 3	\$2,624	\$2,356	\$268*
------------------------	---------	---------	--------

Employed at End of Yr.3	38.7%	34.1%	4.6*
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West Virginia

Average Earnings Yr. 1	\$451	\$435	\$16
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Employed at End of Yr.1	12.0%	13.1%	1.1
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San Diego SWIM

Average Earnings Yr. 5	\$16,109	\$14,033	\$2,076*
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Employed at End of Yr. 5	33.9%	29.0%	4.9%
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California GAIN

1. Alameda County

Average Earnings Yr. 3	\$2,880	\$2,105	\$774*
------------------------	---------	---------	--------

Employed at End of Yr. 3	33.9%	26.7%	7.2*
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2. Butte County

Average Earnings Yr. 3	\$3,638	\$2,992	\$647
------------------------	---------	---------	-------

Employed at End of Yr. 3	46.7%	42.5%	4.3
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3. Los Angeles County

Average Earnings Yr. 3	\$1,939	\$1,786	\$153
Employed at End of Yr. 3	26.0	22.4	3.6*

4. Riverside County

Average Earnings Yr. 3	\$3,562	\$2,552	\$1,010*
Employed at End of Yr. 3	44.5%	35.2%	9.3*

5. San Diego County

Average Earnings Yr. 3	\$3,821	\$3,108	\$713*
Employed at End of Yr. 3	42.5%	37.3%	5.2*

6. Tulare County

Average Earnings Yr. 3	\$3,111	\$2,594	\$518
Employed at End of Yr. 3	43.9%	38.0%	5.8*

FOR AFDC-UP RECIPIENTS

San Diego

Average Earnings Yr. 1	\$4,563	\$4,397	\$166
Employed at end of Yr. 1	53.5%	53.7%	.2

San Diego SWIM

Average Earnings Yr. 5	\$22,878	\$21,818	\$1,060
Employed at End of Yr. 5	39.4%	35.7%	3.7*

California GAIN

1. Alameda County

Average Earnings Yr. 2	\$2,447	\$2,193	\$254
------------------------	---------	---------	-------

Employed at End of Yr. 2	37.3%	23.5	13.8*
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2. Butte County

Average Earnings Yr. 3	\$4,752	\$3.346	\$1,406*
------------------------	---------	---------	----------

Employed at End of Yr. 3	48.1%	41.9%	6.2
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3. Los Angeles

Average Earnings Yr. 3	\$1,726	\$1,417	\$309*
------------------------	---------	---------	--------

Employed at End of Yr. 3	35.8%	26.0%	9.8*
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4. Riverside County

Average Earnings Yr. 3	\$3,812	\$3,478	\$334
------------------------	---------	---------	-------

Employed at End of Yr. 3	44.8%	40.2%	4.6*
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5. San Diego County

Average Earnings Yr. 3	\$4,144	\$4,402	\$258
------------------------	---------	---------	-------

Employed at End of Yr. 3	45.6%	43.9%	1.7*
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6. Tulare County

Average Earnings Yr. 3	\$4,121	\$4,138	\$17
------------------------	---------	---------	------

Employed at End of Yr. 3	48.9%	48.4%	0.5
--------------------------	-------	-------	-----

SOURCES: Data from Friedlander and Hamilton, 1993; Friedlander and Goldman, 1988; Friedlander, 1987; Friedlander et al. 1987; Goldman et al. 1986; Riccio et al. 1986; Riccio, Freedman, Friedlander, Farrell, Fellerath, Fox, and Lehman, 1994; Friedlander et al. 1986.

*=the difference was statistically significant

The first column in Table 1B shows the outcomes for experimentals, and the second one shows the outcomes for controls. The third column shows the differences between these outcomes.

I will begin my discussion of the employment impact of these programs with a focus on the findings regarding AFDC recipients. Eight of the thirteen programs (for the purposes of this discussion California GAIN will be treated as six different programs) had a statistically significant impact on employment rates. What this means is that eight of the thirteen programs appear to have promoted work among AFDC recipients. These gains ranged from 3.6 percentage points in Los Angeles County's GAIN demonstration to 9.3 percentage points in Riverside County's GAIN. For example, in San Diego SWIM, 29.0% of controls were employed at the end of the fifth year of follow-up compared to 33.9% of experimentals, for a gain of 4.9 percentage points. A closer examination of these data from a slightly different point of view, however, makes these findings appear less impressive. Of the eight successful programs which promoted work among AFDC

recipients, none of them moved the majority of experimentals into the world of work.

In regard to AFDC-UP recipients, five of the eight programs had a statistically significant impact on employment rates. These gains ranged from 1.7 percentage points for San Diego County's GAIN program to 13.8 percentage points for Alameda County's GAIN program. For example, in Los Angeles County, for the third year of follow-up 26.0% of controls were employed whereas the comparable figure for experimentals was 35.8%. This marked a gain of 9.8 percentage points. None of the five programs which had a statistically significant impact on employment rates moved the majority of their participants into the world of work.

If one looks closely at the table for AFDC recipients, one will see that the California GAIN program in Riverside County had a larger impact on recipient's employment rate than any of the other programs. In their study of the GAIN program, Riccio et al. speculate as to why the Riverside program had such a large impact. They tell us that the, "particular combination of practices and conditions," (p.30) is apparently what accounted for

Riverside's more favorable results.⁴³ First of all, the Riverside staff made it very clear that program participants were expected to work, and this message was a pervasive one. The program was also strongly committed to (and had adequate resources for) securing the participation of all mandatory registrants. It also provided participants in need of basic education with the extent of educational services needed to meet their needs. Lastly, the program readily applied sanctions (loss of benefits) to those program participants who were non-compliant.

MDRC has not been the only major research outfit which has conducted rigorous studies of the employment impact of mandatory welfare-to-work demonstrations. Researchers connected with the University of Wisconsin have conducted an important study as well. I will discuss their findings in the next section.

The University of Wisconsin Evaluation

⁴³. Riccio, James; Friedlander, Daniel; Freedman, Stephen; Farrel, Mary E.; Fellerath, Stacey Fox; and Lehman, Daniel J. GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-To-Work Program. New York: Manpower Demonstration Research Corporation, 1994.

In 1993, John Pawasarat and Lois M. Quinn conducted a study of the employment impact of the Work Experience and Job Training (WEJT) and Community Work Experience (CWEP) programs. These were mandatory welfare-to-work programs located in the state of Wisconsin.⁴⁴

The WEJT program included remedial educational services, job search services, and job training services. Clients who were unable to obtain employment subsequent to their participation in the WEJT program were required to participate in the CWEP. The CWEP was a workfare program.

Pawasarat and Quinn assessed the employment impact of the WEJT and CWEP by comparing the employment levels of former program participants in Wisconsin counties which contained these programs against those counties which did not. The Wisconsin counties which, during the period of investigation, did not contain the WEJT or CWEP contained either the regular WIN program or no welfare-to-work program at all. The Wisconsin WIN program mainly

⁴⁴. Pawasarat, John and Quinn, Lois M. Wisconsin Welfare Employment Experiments: An Evaluation of the WEJT and CWEP Programs. Wisconsin: Employment and Training Institute, Division of Outreach and Continuing Education at the University of Wisconsin-Milwaukee, 1993.

provided job search services. The employment impact of the WEJT and CWEP was examined one, two, and three years after the implementation of 1987 programs and one and two years after the implementation of 1988 programs.

Pawasarat and Quinn utilized the percentage of cases who "went off" AFDC or AFDC-UP as their indicator of the employment impact of the WEJT and CWEP. For Rockland County, Pawasarat and Quinn utilized the experimental methodological approach. Those in the experimental group were exposed to the WEJT/CWEP whereas controls did not participate in either of these programs. For the other counties they examined, Pawasarat and Quinn utilized the statistical procedure known as multiple logistic regression.

Multiple logistic regression is a quasi-experimental procedure which allowed Pawasarat and Quinn to assess the employment impact of the WEJT and CWEP after controlling for (or removing the influence of) other variables which also might have affected the extent to which AFDC recipients were able to obtain employment. They compared counties with WEJT or CWEP programs to counties which contained no employment program at all (comparison I) and to those which contained the regular WIN program

(comparison II). Pawasarat and Quinn controlled for the following variables: age of welfare recipient, race/ethnicity of recipient, educational level of recipient, age of recipient's children, amount of time on welfare, and whether or not a recipient migrated to Wisconsin from another state.

In regard to AFDC recipients in Rockland County, Pawasarat and Quinn found the following. For the fourth quarter of 1990, about 61% of experimentals were off AFDC whereas the comparable figure for controls was 65%. This was not a statistically significant difference. If we view the percentage of recipients off welfare as an indicator of the extent to which the WEJT and CWEP promoted work among Rockland County AFDC recipients, the fact that the percentage for controls who left welfare was higher than that for experimentals suggest that these programs did not function to promote work among these individuals. In fact, it may be the case that the Rockland County WEJT and CWEP functioned to hinder work promotion.

In regard to AFDC-UP recipients, Pawasarat and Quinn found that for the fourth quarter of 1990 about 57% of experimentals were off AFDC whereas the comparable figure

for controls was 75%. This was not a statistically significant difference. These findings suggest that the WEJT and CWEP did not promote work among Rockland County AFDC-UP recipients and that, in fact, they may have curtailed work promotion.

At this point, I will summarize Pawasarat and Quinn's findings regarding their multiple logistic regressions. Pawasarat and Quinn conducted 142 different comparisons which are relevant to the present study. These comparisons focused on the issue of welfare reduction for the fourth quarter of 1990. Sixteen of these comparisons suggest a statistically significant impact of the WEJT/CWEP programs on work promotion among welfare participants. More specifically, these comparisons suggest that the WEJT or CWEP promoted work among the majority of AFDC and/or AFDC-UP recipients for the following counties: Walworth, Iowa, Fond Du Lac, Green, Langlade, Iron, and Marquette. For example, Pawasarat and Quinn found that for the fourth quarter of 1990 87% of Iron County AFDC-UP recipients were off welfare subsequent to their participation in the CWEP. The comparable figure for comparison I recipients was 68% and for comparison II recipients was 64%.

Even though the above findings are relatively impressive, we should not too quickly assume they suggest that the Wisconsin WEJTs and CWEPs greatly promoted work among Wisconsin AFDC/AFDC-UP recipients. This is the case because we are still left with 126 statistically insignificant work promotion comparisons (142 total work promotion comparisons minus 16 statistically significant ones) which suggest that Wisconsin WEJTs and CWEPs generally had no impact whatsoever on the promotion of work among Wisconsin welfare recipients.

In 1988, the federal government enacted the Family Support Act. For present purposes the most important component of the Family Support Act is the Job Opportunities and Basic Skills Program (JOBS). This program sanctioned another mandatory welfare-to-work program. The next section of this chapter will examine what we know about the employment impact of this initiative.

The JOBS Program

In this section, we will examine the data on the employment impact of the JOBS program. Because the JOBS program was enacted so recently, at this writing there is

little data on its employment impact. The MDRC has received a contract from the federal government to collect this data, and an MDRC staff member has informed me that they are currently conducting the necessary research to do so. In fact, I have already discussed the results from one of the MDRC studies of JOBS. In the section of this chapter on the WIN demonstrations, I discussed the employment impact of the California GAIN program. This program served as the model for the JOBS component of the Family Support Act of 1988.⁴⁵ For this reason, to implement its JOBS program all the state of California had to do was continue its GAIN activities. Thus, when I was discussing the employment impact of California GAIN I was simultaneously discussing the impact of California's JOBS program. We saw above that the GAIN program did very little to move welfare recipients into the work force. It follows that this is true of California's JOBS program as well. At this point, I will say more about the other studies on the JOBS program with which I am familiar.

Florida Independence is the name of Florida's JOBS program. It focuses primarily on trying to immediately

⁴⁵. *ibid.*; Handler and Hasenfeld, 1991.

move welfare recipients into the work force (for those who are deemed job ready) and the provision of basic education/job training (for those who are not considered job ready). Table 2 displays data on the employment impact of this program.

TABLE 2

Florida Independence first year Impact on Employment and Earnings for full sample

Outcome and Follow Up Period	Program Group	Control Group	Diff
Ever Employed (%)			
Quarter 2	36.5	33.8	2.7*
Quarter 3	37.2	34.7	2.5*
Quarter 4	36.6	34.9	1.7*
Quarter 5	36.5	34.3	2.2*
Average Total			
Earnings (%)			
Quarter 2	\$507	\$484	\$23
Quarter 3	\$642	\$579	\$63*
Quarter 4	\$678	\$648	\$30
Quarter 5	\$713	\$673	\$40

Source: Kemple and Haimson, 1994.

*=the difference was statistically significant

The data displayed in table 2 provides us with crucial information. Although Florida Independence apparently facilitated some movement of welfare recipients into the world of work, in no quarter do we find that the majority of those who went through the program obtained work subsequent to their program participation. In other words, like the mandatory welfare-to-work programs discussed earlier, Florida Independence has, so far, done little to promote work among welfare recipients.

The U.S. government has been in the business of attempting to move welfare recipients into the job market by way of mandatory welfare-to-work programs for about twenty-five years now. Not only has there been two decades of research on the employment impact of these programs, as can be seen from the above discussion, but there has also been almost two decades of secondary analyses of these studies. Some of these secondary analysts have gained national prominence.⁴⁶

⁴⁶. *ibid.*; Rein, 1982.

Goodwin, Leonard and Milius, Pauline. "Forty Years of Work Training." Garvin, Charles D.; Smith, Audrey D.; and Reid,

These secondary analysts of the employment impact of mandatory welfare-to-work programs, after having looked at the evidence I have discussed above, have come to conclusions similar to mine. Just as I have stated that the WIN program did not do much to move welfare recipients to work, Goodwin and Milius tell us that the WIN program exhibited an, "inability of these efforts to move great numbers of welfare recipients into the work

William J. The Work Incentive Experience. New York: Universe Books, 1978.

Gordon, Jesse E. "WIN Research: A Review of the Findings." Garvin, Charles D.; Smith Audrey D.; Reid, William J. The Work Incentive Experience. New York: Universe Books, 1978.

Mink, George. "The Organization of WIN and Its Impact on Participants." Garvin, Charles D.; Smith, Audrey D.; Reid, William J. The Work Incentive Experience. New York: Universe Books, 1978.

Ellwood, David. Poor Support. New York: Basic Books, 1988.

Gueron, Judith and Pauly, Edward. From Welfare to Work. New York: Russel Sage Foundation, 1991.

Goodwin, Leonard. "Work Incentive Years in Current Perspective: What Have We Learned? Where Do We Go From Here?" Journal of Sociology and Social Welfare. Vol. 14 No. 2 (June, 1989).

Schiller, Bradley R. and Brasher, Nielson C. "Workfare in the 1980s: Successes and Limits." Policy Studies Review. Vol. 9 No. 4 (Summer, 1990).

Levitan, Sar A.; Rein, Martin; and Marwick, David. Work and Welfare Go Together. Maryland: The John's Hopkins University Press, 1972.

Nathan, Richard P. "Will the Underclass Always Be With Us? Society. Vol. 24 (March/April, 1987).

Burtless, Gary. "Work Programs in Welfare and the Difference They Make." Coughlin, Richard M. Reforming Welfare. New Mexico: University of New Mexico, 1989.

force." Just as I have stated that the WIN demonstrations have minimally promoted work among welfare recipients, Gueron and Pauly tell us that:

while substantial evidence shows that moving women from welfare to work is feasible, it also suggest that expectations should be modest. Caseload reductions have not been dramatic... (pg.10).⁴⁷

And Nathan tells us that the WIN demonstrations have shown, "promising although not large results," in regard to the extent to which they have promoted work among welfare recipients.

After having discovered the dismal record of mandatory welfare-to-work programs, these other secondary analysts have tried to account for this pathetic performance. Rein believes that the WIN program did little to promote work because 1) welfare caseworkers used their discretion to excuse a number of eligible recipients from participation in the program and 2) the federal government did not provide the level of funding which would have been necessary for the program to

⁴⁷. ibid., pg.10. Gueron and Pauly, 1991.

accomplish its stated goals. She tells us that in 1974, \$333 million dollars was spent on the WIN program whereas about \$2 billion dollars was the amount needed to move a substantial number of people off welfare. According to Goodwin and Milius, the WIN program did little to promote work because of slack demand for labor. Goodwin tells us that the same has been true for the 1980s WIN demonstrations.

I think these analysts are correct to focus on the labor market in their efforts to account for the poor record of mandatory welfare-to-work programs. Job training programs obviously need an "accommodating" job market to be successful. I also think these analysts are correct to focus on the funding commitments of the federal government in their attempts to account for the poor performance of these programs. The continuing importance of this issue is illustrated by a recent New York Times article on the California GAIN program in San Diego. In the article it was pointed out that the \$22 million dollars spent on this program is not enough to provide services to all those deemed eligible for it.⁴⁸

⁴⁸. Rimer, Sara. "Jobs Program Participants: Still Poor and in Need of Aid." New York Times. (April, 1995).

What I will do in a moment, however, is, to some extent, shift from these more "macro" level issues to more "micro" level ones. In other words, instead of trying to explain the poor performance of mandatory welfare-to-work programs by focusing on the demand for labor and the fiscal policies of the government, I will focus more on reports of current and former welfare recipients. This will be done in an effort to see if their experiences in attempting to obtain employment can shed some light on why the majority of welfare recipients have been unable to obtain work subsequent to their participation in mandatory welfare-to-work programs. I obtained access to these reports by conducting a number of interviews of current and former welfare recipients. My findings from these interviews will be the focus of the next chapter. Before moving into a discussion of these interviews, I want to say more about why I have argued that the evidence on the employment impact of mandated welfare-to-work programs has indicated minimal impact.

When social scientists conduct public policy analyses they often base their assessments of the efficacy of certain policies on the notion of statistical significance. If the findings of various statistical

techniques suggest that observed behavioral outcomes have resulted from specific policy interventions, social scientists often conclude that such specific interventions have been effective ones. We have seen in this chapter that statistically significant differences can be as small as two percentage points. Thus, it is possible that in some cases a social scientist could legitimately conclude that a given public policy was effective if the percentage of those exposed to the policy intervention did two percentage points better on some measure than those who were not exposed to it.

It seems to me that the public policy rhetoric of politicians suggest that they hold a standard over and above the one of statistical significance when it comes to what constitutes effective public policy. Presidential candidate Bill Clinton's promise to, "end welfare as we know it," is suggestive of an intention to promote grand changes in the welfare system, and, as stated in an earlier part of this work, he intends to do this by moving welfare recipients from welfare to work. Now it seems to me that we are not likely to end welfare as we know it by way of mandated work promoting policies that, even when they have a statistically significant

impact, leave most of the people who have been exposed to them without work. This is why in my discussion of mandatory welfare-to-work programs I look to see if those which had a statistically significant impact have also moved large numbers of the people who have been exposed to them into jobs.

CHAPTER 3
LABOR MARKET EXPERIENCES OF CURRENT AND FORMER WELFARE
RECIPIENTS

This chapter will contain a discussion of my findings from a qualitative study I conducted on the labor market experiences of current and former welfare recipients. When appropriate, these findings will be related to those from other pertinent studies. The chapter will conclude with a discussion of the policy implications of my findings, and it is at this point where I will reflect on what they suggest regarding the possible reasons for the dismal performance of mandatory welfare-to-work programs.

As we saw from the previous chapter, analysts of the employment impact of mandatory welfare-to-work programs typically concern themselves mainly with the extent to which these programs move welfare recipients into the labor force. They exhibit less concern for how the attempt to move welfare recipients into the job market might curtail their ability to assume important family responsibilities (e.g., taking care of children, sick

relatives, etc.). This is an important issue to consider because it makes us sensitive to the possibility that in our zeal to move welfare recipients into the labor force we might be preventing them from doing what might be called "homework" which is more useful to family members and other members of their community.

Research Methodology and Demographics on Respondents

In an effort to gain information on the labor market experiences of recipients of welfare, I conducted 45 in-depth interviews of current and former welfare recipients. I obtained my respondents by way of two sources. One was an organization I will refer to as the LTP which is a mandatory welfare-to-work program located in the South Bronx. Another was a welfare rights organization I will refer to as the Lower East Side Welfare Rights Group (LESWRG) which, as the name suggest, is located on New York City's Lower East Side.

The respondents I interviewed were not, in the statistical sense, chosen randomly. In other words, all of the members of the U.S. population of current and former welfare recipients were not accorded an equal chance to become part of my sample. Thus, I make no

attempt to utilize my findings as the basis of generalizations to the entire population of current and former welfare recipients. Simply put, my reason for conducting my interviews was not to produce generalizable findings in accord with the procedures of statistical analysis but to provide the reader with some of the "stories" of welfare recipients having to do with some of their experiences regarding work. It is thought that these stories, because they come from current or former recipients themselves, and not what others have said about them, might provide us with some insight as to why mandatory welfare-to-work programs have had such a poor record. Due to the fact that analysts of the employment impact of mandatory welfare-to-work programs typically do not engage in analyses like the one I engage in here, we do not, at present, know a great deal about how the work related experiences of welfare recipients might be connected to the dismal record of mandatory welfare-to-work programs.

All of my respondents were women. Eight of them were African-American, one of them was born in Bangladesh, and the rest were Latino. Most of the Latino respondents were Dominican. Over half of the women I

interviewed have two children or less. Forty-two percent of all U.S. families on welfare have only one child, whereas 30% of them have two children. Thus, the majority of welfare families are families with two or fewer children.⁴⁹ It follows that over half of the women I interviewed have families larger than the typical U.S. welfare family.

Only six of the women I interviewed had experienced more than one spell of welfare (a spell is the period between going on welfare and leaving welfare, for whatever reason). Twenty-seven of the women I interviewed had experienced welfare spells of less than eight years. I use the cut-off of eight years because I am interested in conveying the extent to which those in my sample could be considered long-term recipients. A welfare spell of eight or more years is usually viewed as an indication of long-term welfare recipient status.⁵⁰ If twenty-seven of my respondents experienced welfare spells of less than eight years, it follows that only

⁴⁹. Abramovitz, Mimi and Newdom, Fred. "Decoding Welfare Reform." City Limits. (April, 1994).

⁵⁰. Ellwood, David. "Targeting the Would-Be Long-Term Recipient of AFDC: Who Should Be Served? Unpublished Preliminary Report. Massachusetts, Harvard University, 1985.

eighteen of them could be viewed as or as having been long-term recipients of welfare.

In their article cited above, Abramovitz and Newdom discuss some prevalent "myths" about welfare recipients. Three of the myths they focus on are: 1) women on welfare have large families, 2) women on welfare stay on welfare for a long time, and 3) few women on welfare are white. Some of the demographic data on the women I interviewed provides what could be viewed as support for these mythological views; all of them were non-white, many of them had more than two children, and some of them have been or were on welfare for eight or more years. The reader should be reminded, though, that due to the manner by which I obtained my sample, it is hardly appropriate to conclude that the women I interviewed are representative of all welfare recipients in the U.S. Thus, although my demographic data apparently provides support for some of the mythological views about welfare recipients, it would be fallacious to conclude that these myths are true of most or all recipients.

Findings

Much of the political discussion about welfare

reform might give one the idea that all welfare recipients have done for years is sat home watching "soap operas", waiting for their next public assistance checks. The data I obtained from my interviews raises questions about such view. Most of the respondents I interviewed had worked (outside the home) previous to going on welfare. Three of the women I interviewed worked while on welfare. Other researchers have also found that welfare recipients typically have worked before going on welfare and/or that they often work while on welfare.⁵¹

All of the women who stated that they had worked while on welfare told me that the reason they had done so

⁵¹. Spalter-Roth, Roberta; Hartmann, Heidi; and Andrews, Linda. Combining Work and Welfare: An Alternative Anti-Poverty Strategy. Washington, D.C.: Institute for Women's Policy Research, 1993.

Edin, Kathryn and Jencks, Christopher. "Welfare." Jencks, Christopher. Rethinking Social Policy. New York: Harper Perennial, 1992.

Harris, Kathleen Mullan. "Work and Welfare Among Single Mothers." American Journal of Sociology. Vol. 99 No. 2 (Sept, 1993).

Pavetti, LaDonna Ann. The Dynamics of Welfare and Work: Exploring the Process by Which Women Work Their Way off Welfare. Massachusetts: Malcolm Weiner Center for Social Policy John F. Kennedy School of Government Harvard University, 1994.

Children's Policy Institute of West Virginia. Welfare to Work. West Virginia: Children's Policy Institute of West Virginia, 1994.

Skricki, Irene. Unheard Voices. Washington, D.C.: Coalition for Human Needs, 1994.

was because of the low level of welfare benefits. The income they received from work served to supplement their benefits. In the words of one respondent:

when I was on welfare I had two children. The amount of money I was gettin' from welfare wasn't hittin' on nothin'. I could hardly feed myself and my kids. So I got a couple of days doing "days work" (domestic work). I was able to get paid in cash and pay no taxes. This allowed us to eat and pay our rent which I couldn't do with welfare.

Some of those who stated that they had worked before going on welfare and/or while on welfare felt that their jobs had been low paying ones. For example, when I asked one respondent, who had worked in a factory making \$140/week, if she had liked or disliked this job she informed me that she had disliked it. When asked why she had disliked this job she simply stated that, "it was too much work for too little money." A glance at the data, presented in the previous chapter, on the earnings of welfare recipients who obtained work subsequent to their participation in a given mandatory welfare-to-work

program, indicates that many of them also worked for low wages. For example, in the third year of follow-up, those who had received training in Baltimore's WIN demonstration program only made, on average, \$3,499. Those who had gone through California GAIN's San Diego County program only did a little better, with a third year follow-up average earnings level of \$3,821 (see Table 1 in Chapter 2 for these figures). The data found in Table 1 and that gathered from my interviews suggest that a number of women who have had spells on welfare have also, at some point in their work histories, had an encounter with the low wage labor market.

Most of my respondents who had worked before going on welfare and/or while on welfare reported that their jobs had not provided them with health benefits. Consequently, some of these women had to pay for health care expenses for themselves and their families "out of pocket".

As I interviewed my respondents, I attempted to assess their preferences regarding work versus welfare. I tried to assess this issue by way of a number of questions. One question I asked was: if you could get exactly the same income from welfare as from a job would

you prefer welfare or a job? It should be stated that currently in no state in the nation do welfare benefits bring a family on welfare to the official federal poverty line. Twenty-four of my respondents answered this question by saying that they would prefer to stay on welfare. There were two reasons typically provided as an explanation for this point of view. One was that welfare provided too little money for someone to have to work for it. The other, which is related to the first, is that instead of working for so little money, some respondents felt it would be better to receive welfare and stay home and take care of their kids.

Twenty-one of those I interviewed had a different response to the question referred to above. They stated that they would rather work for the amount they receive or received while on welfare instead of "staying at home" and receiving it. The reason typically given as an explanation for this point of view provides an illustration of how deeply ingrained the ideology of the "sanctity of work" is in our culture. I will have more to say about this ideology in a later chapter. At this point, I will merely state that it is the view that able-bodied adults are morally obligated to work and that

those who end up on welfare are shirking their moral responsibility. One of my respondents stated this position nicely:

people should not get welfare unless they are not able to work. I mean if they are physically not able to work then they shouldn't have to work. Welfare is for people who really need it. Anyone who can work should not be gettin' welfare because they can go out there and do for themselves.

Another question I asked respondents in an effort to assess their preferences regarding work versus welfare was: how do you feel about being on welfare as compared to working at a full-time job? All of my respondents reported that they would prefer work at a full-time job to staying home and receiving welfare. They typically gave one or more of the following three reasons to justify this position: 1) they felt that by working they would make more money than they receive from welfare, 2) they felt that by working they would not have to deal with the frequent invasions of privacy that they have to contend with as welfare recipients, and 3) they felt that

able-bodied adults have a moral obligation to work and take care of themselves. One of my respondents gave a particularly amusing answer which falls within the category of justification #2. She stated that she preferred full-time work over welfare because:

being on welfare was harder work than being on a full-time job. Dealing with the harassment, condescending caseworkers, and inhuman treatment was harder than going to work everyday.

The other question I asked to assess the preferences of my respondents regarding work versus welfare was: are there any reasons you think being on welfare is better than working? A few of those I interviewed felt that there are reasons why being on welfare is better than working, and the reasons they gave were the following. One was that welfare allows parents the opportunity to stay at home and take care of their children. The other was that welfare provides free medical care for them and their families.

The data I gathered on the welfare versus work preferences of my respondents raises questions about what

appears to be one of the main assumptions of the proponents of mandatory welfare-to-work programs. Proponents of mandatory welfare-to-work programs, such as Kaus and others, assume that welfare recipients do not value work and that mandated welfare-to-work programs are necessary to move these individuals to the point where they appreciate the importance of labor.

The women I interviewed did not appear to devalue work. Some did express a preference for welfare if work would only allow them to receive wages equivalent to the amount they receive or received from public assistance. My data suggest, however, that these women's "preference" for welfare was less a preference for public assistance than it was a preference for decent wages and time to spend with their children. The fact that many of those I interviewed expressed a preference for work even for wages equivalent to welfare and that all of the women I interviewed expressed a preference for full-time work over welfare, when the condition of wages equivalent to welfare was dropped, suggest that the "welfare recipients devalue work" thesis should be viewed with a good deal of skepticism.

As I interviewed my respondents, I also attempted to

acquire some information regarding the personal circumstances which affected their ability to enter the labor force. Some of the women I interviewed reported that one of the main problems which prevented them from working was the serious illness of a child or children. For example, one respondent informed me that she is not able to work because her youngest child has asthma. When asked why she felt this prevented her from working, she told me she was not certain that a baby sitter would know how to deal with her child's problem the way she does. Thus, if she were working and her child were to have an asthma attack, she thought her child's life might be in danger.

Another circumstance which affected the ability of my respondents to work was serious illness suffered by themselves. One respondent informed me that she has sickle cell anemia, high blood pressure, and a problem with one of her heart valves which prevents her from doing, "stressful work and physically demanding work."

The lack of high quality and affordable child care was another barrier which prevented some of my respondents from working. In response to my asking her why she was not currently looking for work one of the

women I interviewed flatly told me that, "I can't afford a baby sitter for my child." Another respondent informed me that her baby sitter had placed her child's head in the toilet bowl. This was intended to teach the child not to urinate on herself. My respondent told me that she, "fired that baby sitter," and was not able to find someone else she trusted to care for her children. This led her to go on welfare. Her plan was to stay on welfare until her kids started school; at this time, she would go back to work. This respondent did eventually go back to work and is now employed at an advocacy program for welfare rights.

Over the course of my interviews, I also found that lack of employer provided health insurance was another employment barrier. For example, one of the women I spoke with had worked in a nursing home before going on welfare. She developed a tumor which required her to have surgery. Her job did not provide her with health insurance, and she was not able to afford to pay out of pocket for the surgery. She was single with two young children at this time. She was advised that, because of her single-parent status, she would be eligible for welfare which would pay for her surgery. My respondent

eventually decided to go on welfare which made her automatically eligible for Medicaid; the Medicaid program covered the cost of her surgery.

One of the questions I asked those among my respondents who were not currently working was whether or not they were looking for work. For those who answered this question negatively, I asked them why they were not currently looking for work. Many of my respondents gave one of the following two reasons as their explanation for their lack of effort to find work: they did not have enough training and/or education or they did not speak English well enough (many of the women I interviewed spoke Spanish as their first language). A few of my respondents suffered from both of these barriers to employment. For example, one woman spoke almost no English and had completed up to only the fourth grade in school.

Since the main reason I conducted my interviews was to get some idea of why mandated welfare-to-work programs have minimally promoted work, I felt it important to ask my respondents if any of them had had experiences with such programs. Ten of the women I interviewed had had experiences with mandatory welfare-to-work programs. Of

these 10 women, six stated that their mandated welfare-to-work experiences were positive ones. Two of these women told me that their mandated welfare-to-work experiences were positive because these programs provided them with the opportunity to engage in social interaction. For example, one of them told me that her program allowed her the chance to, "meet people and learn to get along with people." The other women who had good experiences with mandatory welfare-to-work programs felt that they had actually learned something in their programs. One felt that the fact that she had attained her GED (high school diploma equivalent) was due to preparation she received in her program. The others had received ESL classes and felt these classes had helped them learn some English.

Of the four women who were less positive about their mandatory welfare-to-work experiences, three of them felt that their programs were a waste of time. One of these three women had received typing and data entry training, one had received house cleaning or domestic training, and the third had received job search classes. The fourth woman had received on-the-job clerical training, and the reason she did not like her program was because it was

"very demeaning," and the secretary she worked with "treated her like shit."

None of the ten women discussed above reported that their experiences in mandated welfare-to-work programs had led to their obtaining employment. The women generally agreed on why this has been the case. Even those who had positively assessed their mandated welfare-to-work experiences were parties to this agreement. The women felt the programs simply did not provide them with enough training to allow them to get a job or trained them to do things (e.g., house cleaning) which they already knew how to do. For example, one of the women who had taken ESL classes stated that although she left the class speaking better English than when she had started, she still does not speak it well enough to work in a job which requires, "good English." Skricki also found that many of her respondents were not convinced of the utility of the services provided by the JOBS program. For example, she quotes one woman who is a participant in New Jersey's JOBS program who stated that:

cooking, I didn't need that, I've been cooking all my life. How to dress, I know how to do that, you

can't dress when you have no money to dress with....

I knew how to dress, eat, cook foods. I wanted to learn computers so I could get a job (p.33).⁵²

One of the women I interviewed told me that her WIN experience had been unhelpful to her in an ironic way. She informed me that when she was on welfare she had been working in a job which had paid her about \$4.50 an hour. When her youngest child had turned six years old, my respondent's welfare worker told her to report to the WIN program and informed her that if she refused to do so she would lose a portion of her welfare benefits. My respondent was aware that the WIN schedule would prevent her from continuing to work. After concluding that being on welfare with full benefits but without her job was economically better for her family than keeping her job but losing some of her welfare benefits, my respondent decided to report to WIN. Thus, what we have is an instance where a program designed to promote work among welfare recipients was responsible for a welfare recipient having to give up her job.

⁵². *ibid.*, pg.33. Skricki, 1994.

Policy Implications of Findings

The information obtained from my interviews might tell us something about why mandatory welfare-to-work programs have had such a poor work promotion record. We have seen that some of my respondents reported that lack of affordable high quality child care prevented them from joining the labor force. Many of those who received training in mandated welfare-to-work programs might have encountered this problem too, and this could be one factor which partly accounts for why many former mandated welfare-to-work program participants failed to obtain work.

Some mandatory welfare-to-work programs have provided transitional child care assistance to their participants. This assistance has been provided in an effort to allow welfare recipients to join the labor force. For example, the JOBS component of the Family Support Act requires that states provide transitional child care benefits to JOBS program participants who obtain work. The benefit provided is up to \$160 per month per child.⁵³ To say that this benefit is a

⁵³. *ibid.*; U.S. Congress, 1988.

transitional one means that beneficiaries are only entitled to it for one year.

It is by no means clear that the amount of financial assistance provided to participants in mandated welfare-to-work programs is enough to allow them to obtain high quality child care. To my knowledge there has been very little systematic research which has addressed this issue. It is also not at all certain that women will be able to afford high quality child care after their transitional benefits run out. It might be the case that many women who lose transitional child care benefits might end up having to quit their jobs and, consequently, end up back on welfare. Such a state of affairs would, of course, have implications for the long term efficacy of mandatory welfare-to-work programs.

We also found from my interviews that some respondents were not able to join the work force because they needed to take care of sick children. Oliker, in her study, also found that the caretaking responsibilities of welfare recipients often prevent them from joining or remaining in the labor force. Perhaps many of those who failed to obtain work subsequent to their participation in a mandated welfare-to-work program

experienced similar barriers to employment.

It is probably unreasonable to expect welfare policy to deal with the treatment of childhood illnesses. Welfare could, however, provide financial support and referrals for women in an effort to help them obtain child care services from someone trained to deal with children with particular illnesses. This type of care is likely to be more expensive than regular child care services and, thus, would probably require a commitment of more resources than the \$160 per child provided by JOBS.

The fact that some of the women I interviewed told me that lack of affordable child care or the need to stay home and care for sick children prevented them from obtaining employment raises the issue I touched on in the introductory section of this chapter. Given the tenor of the current welfare reform debate, these women are likely to encounter pressure, by way of a mandated welfare-to-work program of some kind, to move into the labor force. If these women are eventually required to enroll in a mandated welfare-to-work program and if they obtain employment subsequent to their training, current economic trends, to be discussed later, leads me to believe that

they are likely to obtain low wage employment. If they were to obtain low wage employment, they would probably end up having less time to spend taking care of their children. It is not at all clear that women and their children are better off when the women are working in low wage jobs than when they are allowed to stay home and spend more time caring for their kids.

We found from my interviews that lack of employer provided health insurance was another barrier to employment for some of my respondents. It might be the case that many of those who received training from mandatory welfare-to-work programs also failed to obtain employment because of lack of employer provided health insurance. The JOBS program is an example of a mandatory welfare-to-work program which has attempted to address this problem. It provides transitional health benefits to its participants. Upon obtaining employment its participants are entitled to continue receiving Medicaid for a year. As with transitional child care assistance, it is not certain that former JOBS program participants who have obtained employment will be able to keep their jobs once they lose their transitional health benefits. Many may end up back on welfare if the jobs they have

obtained do not provide them with health benefits which, given the current structure of the labor market, is quite possible.⁵⁴ Many former JOBS participants may end up back on welfare because this would be the only way they would be able to afford health care for themselves and their families.

At this point, we are reminded of the connection between different public policy arenas. The U.S. is still without a universal health insurance system, and the lack of such a system clearly has implications for welfare reform strategies. If a universal health insurance system were in place in this country, it would be unlikely that individuals would feel the need to leave jobs to go on welfare in order to obtain health insurance.

We discovered from my interviews that low level English proficiency is another reason some of my respondents are not able to enter the labor force. Some of the mandatory welfare-to-work programs discussed in the last chapter (e.g., California GAIN) are located in

⁵⁴. Sweezy, John J. "Service Sector Growth: Implications for the Future." Burton, Daniel F. Jr.; Gotbaum, Victor; and Rohatyn, Felix G. Vision for the 1990s. Massachusetts: Ballinger Publishing company, 1989.

geographical areas which contain a relatively high proportion of non-English speaking persons. It is quite possible that some of the welfare recipients who received mandated training and/or education in such areas did not speak English as their first language, if at all. It is also quite possible that subsequent to their participation in a welfare-to-work program they failed to obtain employment because of a lack of English speaking ability. I should state that it is the case that mandatory welfare-to-work programs often allow their participants to study English as a second language (ESL). It is by no means clear, however, that such a course of study provides students with the training which would allow them to reach a level of English proficiency that would enable them to obtain a decent paying job which requires conversational English skills. The fact that one of the women I interviewed stated that her ESL class did not teach her enough English to allow her to find a job suggest that we should take very seriously the possibility that such a course of study does not provide the necessary level of English proficiency.

Low level of training/education was another employment barrier reported by some of the women I

interviewed. Most of those who cited this barrier were natives of the Dominican Republic. These women were typically not formally educated beyond the elementary level. According to the Executive Director of the welfare rights group where I conducted most of my interviews, the low level of formal educational attainment reported by many of my Dominican respondents is probably due to the nature of the educational system in the Dominican Republic.

In the Dominican Republic, laws require compulsory education only up to the elementary level. A lot of the impoverished children in the this nation live a relatively long distance from their schools. The legal right to do so, the long distance between homes and schools, and the need for their children to engage in agricultural labor to help them subsist, leads many parents to remove their kids from school after their having completed the fifth or sixth grades.

The current welfare reform debate raises concerns regarding the future economic well-being of women like those I interviewed. Some of the Dominican women I interviewed who possessed serious formal educational deficits were legal residents. Clinton's plan, if passed

in its present form, would finance the expansion of mandated welfare-to-work activities by reducing spending on welfare for legal residents.⁵⁵ The House Republican plan would simply deny welfare benefits to legal residents.⁵⁶ Thus, if the Clinton or House Republican plan were to be enacted, the legal residents I interviewed and others like them might lose their welfare benefits and end up facing a stark choice: work or starve. And given their low levels of educational attainment, and consequently, the types of low wage jobs they are likely to obtain, they might very well work and still starve or come very close to it.⁵⁷

The point I made about low wage jobs raises another policy issue which should be addressed. As will be discussed in more detail in the next chapter, the private sector in the U.S. is producing a lot of jobs which do not pay decent wages. By decent wages I mean earnings

⁵⁵. Hunger Action Network. The Personal Responsibility Act. Unpublished. New York: Hunger Action Network, 1994.

⁵⁶. Hunger Action Network. What Clinton Wants to do to Welfare. Unpublished. New York: Hunger Action Network, 1994.

⁵⁷. Blau, Joel. The Visible Poor. New York: Oxford University Press, 1992.

which would allow a given worker to meet the needs of her/himself and her/his family.

There are steps that government could take which would result in increased wages. One thing Washington could do is simply increase the minimum wage. Another thing Washington could do is use its massive resources to create public employment. This latter move would increase the level of wages by creating a "tight" labor market through the enhancement of demand for labor power. Such a labor market would increase the bargaining power of workers which would allow them to demand higher compensation for their labor. A third approach which would increase wages would be the implementation of a guaranteed income program. The federal government could provide all families with an income which would allow them to meet their basic needs, and this could be provided whether the heads of these families worked outside the home or not. Such a program would raise wages by putting pressure on employers to increase them in order to encourage residents to seek work.

Of the three governmental approaches which would increase wages, the only one which is currently getting any serious attention is an increase in the minimum wage.

President Clinton has recently advocated such an increase. At this writing, Congressional Republicans, however, appear to be against it.

Instead of instituting public policies which might serve to put upward pressure on wages, a crucial "arm" of the federal government has recently been acting in a way which might put further downward pressure on them. The arm I am speaking of is the Federal Reserve Board (FED).

Many mainstream U.S. economists tell us that there is something called a "natural" rate of unemployment. This is the rate of unemployment at which two conditions prevail: 1) everyone who wants to work is working except those who are frictionally and structurally unemployed and 2) the average price level is stable (e.g., there is no inflation or deflation). Frictional unemployment is the type which occurs mainly due to those in the labor force being between jobs or in the process of changing jobs. Structural unemployment is the type which occurs because of deep-rooted changes, due to technological developments, in the way an economy produces goods/services. Those who lack the training and skills necessary to obtain the kinds of jobs which result from structural economic changes are the ones economists refer

to as the structurally unemployed.⁵⁸

As I write these lines, the FED is currently concerned about the economy moving above the natural rate of unemployment. It is concerned about this because such a situation is viewed as inflationary, and current leaders of the FED are vigorous opponents of inflation. This is why the FED has raised interest rates seven times over the last year. When the FED increases interest rates this typically, after a time lag, increases the rate of unemployment. Sometimes, as a result of the FED's actions, unemployment reaches recessionary levels. When this happens there is a significant decrease in the demand for labor power, and this puts downward pressure on wages.⁵⁹ This is why I said above that the FED is currently acting in a way which might further reduce wages.

The reports from the few women I interviewed who had had mandatory welfare-to-work experiences and the findings from Skricki's study of JOBS participants provides us with more data which may have something to do

⁵⁸. Spencer, Milton H. Contemporary Macroeconomics. New York: Worth Publishers Inc., 1989.

⁵⁹. *ibid.*; Spencer, 1986.

with why the employment impact of mandated welfare-to-work programs has been so poor. Perhaps, as some of Skricki's and my respondents have told us, mandated welfare-to-work programs often provide services (e.g., job search services) which simply do not do much to make the recipients of such services very marketable. The fact that one of the women I interviewed had to give up a job because she was being required to enroll in WIN raises the possibility that mandated welfare-to-work programs may even have curtailed welfare recipients labor market participation instead of enhancing it. This, of course, would be an absurd outcome for a set of programs designed to promote work.

Up to this point, most of this work has dealt with the fact that mandatory welfare-to-work programs have minimally moved welfare recipients from welfare to work and what might account for this poor record. From this point on, my focus will shift a bit. Instead of asking what might account for the fact that mandatory welfare-to-work programs have done little to promote work among welfare recipients, I will ask do these programs have any significance in spite of the fact that their employment impact has been so poor. I will provide an affirmative

answer to this question. I will argue that the significance of these programs has very little to do with the extent to which they have promoted work and much more to do with a broader cultural function they serve. Before developing this thesis, though, I need to spend some time discussing the economic context within which we have tried to move welfare recipients from welfare to work. This is necessary because the cultural function of mandated welfare-to-work programs is intimately related to this context.

CHAPTER 4
THE ECONOMIC CONTEXT OF MANDATORY
WELFARE-TO-WORK PROGRAMS

A number of analysts of the employment impact of mandatory welfare-to-work programs concern themselves with the relationship between this impact and the economy. For example, in From Welfare to Work, Gueron and Pauly tell us that:

Labor market conditions influence welfare dynamics in two ways: they affect the ability of recipients to find work and leave welfare, and they also more subtly influence the characteristics of the remaining public assistance caseload. When labor demand is strong, relatively job-ready individuals who might apply for welfare in a poor economy may find employment and never receive public assistance, or, if they do become recipients, they may leave the rolls more rapidly (pg.62).⁶⁰

⁶⁰. ibid., Gueron and Pauly, 1991.

To my knowledge, when analysts of mandatory welfare-to-work programs concern themselves with the relationship between the employment impact of such programs and the economy, the aspect of the economy they typically focus on is the labor market. More specifically, they usually focus on cyclical unemployment in the labor market. Again, Gueron and Pauly's comments are illustrative. In From Welfare to Work they tell us that:

Extreme cyclical variations in the economy may also affect the size of program impacts or the relative effectiveness of different JOBS approaches in ways that are currently unknown (pg.48).⁶¹

There is an aspect of the economy which has received less attention by analysts of the employment impact of mandatory welfare-to-work programs: the structural economic developments that have been occurring over the last, approximately, 30 years. A discussion of some of these developments is important because it serves to provide the reader with a sense of the structural economic environment and, more specifically the

⁶¹. *ibid.*, Gueron and Pauly, 1991.

structural labor market environment, within which we have been trying to move welfare recipients from welfare to work.

Increasing Global Economic Competition and its Impact on the Profits of U.S. Businesses

As a number of analysts have shown, the U.S. emerged from World War II as the world's dominant economic power.⁶² No European ally could challenge the preeminence of the U.S., nor could the defeated Germans and Japanese challenge this preeminence. At this moment in history, the U.S. had the only major functioning army, contained over half the world's productive capacity, and served as the banker and creditor to both its former allies and former enemies.⁶³ The reason the U.S. stood in this position of dominance is simple: it was the only major industrial power, which had taken part in the war, whose industrial capacity had been left unscathed by the bombing campaigns which had taken place during the

⁶². Bowles, Samuel; Gordon, David; and Weisskopf, Thomas. Beyond the Wasteland. New York: Anchor Press/Doubleday, 1983.
 Bluestone, Barry and Harrison, Bennet. The Deindustrialization of America. New York: Basic Books, 1982.

⁶³. *ibid.*; Bluestone and Harrison, 1982.

fighting. The industrial infrastructures of the other major industrialized nations at this time, especially Germany and Japan, had been decimated. Given this state of affairs, U.S. businesses were able to operate within a global economic environment in which there was virtually no competition. The dominant position of U.S. companies allowed them to enjoy relatively high profit rate.

This U.S. position of dominance was not to last, however. As the post-WWII era wore on, European (e.g., formerly West Germany) and Asian (e.g., Japan) nations rebuilt and modernized their industrial infrastructures and, as a result, became competitors with whom U.S. firms had to reckon. The so called newly industrializing countries (NICs) (e.g., Taiwan) also began to modernize during this period, and they too began to compete with U.S. firms.⁶⁴ A few pertinent figures lends support to these contentions. Between 1950 and 1960, the U.S. share of world GNP dropped from 40% to 26%, and its share of world trade fell from 20% to 16%. By 1970, the U.S. share of world GNP was 14%, and its share of world trade

⁶⁴. Harrison, Bennett and Bluestone, Barry. The Great U-Turn. New York: Basic books, 1990.

was 11%. In 1956, 42 of the world's top 50 industrial companies were U.S. firms. By 1970, this number had dropped to 32.⁶⁵ In 1952, among members of the international Monetary Fund (IMF), the U.S. share of exports had been 20.8% while Japan's was 1.7%. Twenty years later, the U.S. share was 13.2% and Japan's was 7.6%. In 1971, when the U.S. trade balance turned negative, Japan and West Germany commanded an aggregate trade surplus of \$72 billion.⁶⁶

According to a United Nations report cited in an article written by the Economic Policy Committee of the AFL-CIO, exports from the world's nations increased from approximately \$61 billion in 1950 to about \$238 billion in 1968 to about \$310 billion in 1970.⁶⁷ U.S. exports increased at a slower rate than most other nations. As

⁶⁵. Ferguson, Thomas and Rogers, Joel. Right Turn. New York: Hill and Wang, 1986.

⁶⁶. Ferguson, Thomas and Rogers, Joel. The Hidden Election. New York: Pantheon Books, 1981.

⁶⁷. Economic Policy Committee of the AFL-CIO. "World Trade in the 1970s." Sumner Rosen (editor). Economic Power Failure: The Current American Crisis. New York: McGraw-Hill Company, 1975.

its exports increased at a slower rate than most other countries, U.S. imports rose more rapidly which resulted in trade deficits. In the early 1960s, the U.S. enjoyed a trade surplus of about \$5 billion/year. In 1970, the U.S. trade surplus was \$2 billion. By 1972, the U.S. trade deficit was \$15 billion with Japan, \$2.5 billion with Canada, 1.4 billion with West Germany, and \$300 million with Italy.

The mounting trade deficit was especially problematic from the perspective of U.S. manufacturing and semi-manufacturing industries. Imports of finished manufactured goods other than food products rose from about 46% of all imports in 1960 to about 68% in 1972. By 1971, imports were about 18% of U.S. steel sales, approximately 24% of the U.S. auto market, 35% of sales of television sets, 60% of phonograph sales, about 86% of radio sales, almost 100% of tape recorder sales, and nearly 60% of sewing and calculating machine sales.⁶⁸

The declining U.S. share of world GNP, the declining U.S. share of world trade, the declining U.S. trade surplus, and the increasing U.S. trade deficit were

⁶⁸. *ibid.*; Economic Policy Committee of the AFL-CIO, 1975.

factors which led to a decline in profits for U.S. firms. In May of 1980, Daniel M. Holland and Stewart C. Meyers published a study which focused on the profits and capital costs of U.S. manufacturing corporations. According to Holland and Meyers, the average rate of profit for all non-financial corporations in the U.S. fell from 15.5% in the period from 1963-1966 to 12% during the period from 1967-1970. For the period from 1971-1974, the average profit rate for U.S. non-financial corporations was approximately 10.1%.

The declining average profit rate of American businesses apparently caused them great concern, and they mobilized politically in an attempt to reverse this trend. The next section will discuss some of the details pertaining to this mobilization.

The Response of the U.S. Business Community to Increasing Global Economic Competition and Declining Profits

The mobilization of U.S. businesses to curtail declining profits was exhibited in a number of ways. One thing U.S. businesses did was attempt to legitimize their economic vision, which included an argument for the social utility of relatively high profits, by providing

substantial support to private research institutes which promulgated this vision. U.S. businesses also increased its participation in lobbying efforts in an attempt to promote public policies which would curtail their declining profits. For the same reason, U.S. businesses also began to become increasingly involved in the formation of political action committees (PACS), and they increased their support to the Republican Party (GOP). Lastly, U.S. firms began engaging in a concerted effort to restrain their labor costs.

In 1970, The American Enterprise Institute (AEI) was a minor think tank with a budget of \$879,000 and a staff of 19. By 1980, the AEI had grown into an organization with a staff of 135 and a budget of \$10.4 million. This growth is accounted for by the increase in support provided to the AEI by American firms. For example, Paul F. Oreffice, president and C.E.O. of the Dow Chemical Company was a major supporter of AEI.⁶⁹

The Heritage Foundation was a research institute which was created in 1973. During the years from 1976-1977, its budget was \$1,008,557. By 1980-1981, its

⁶⁹. Edsall, Thomas. The New Politics of Inequality. New York: W.W. Norton & Company, 1984.

budget had expanded to \$5.2 million. The major supporters of the Heritage Foundation were Mobile Oil Corporation, the Dow Chemical Company, the Gulf Oil Corporation, and Sears and Roebuck, Inc.⁷⁰

Another think tank which received substantial support from major American firms beginning in the 1970s was the National Bureau of Economic Research. Its supporters included fortune 500 firms such as IBM, Exxon, and AT&T.⁷¹

The Center for the Study of American Business was founded in 1975. One of its main supporters was James S. McDonnell, Jr., who was Chairman of the Board of the McDonnell Douglas Corporation.⁷²

The American Council for Capital Formation was another think tank which received substantial support from major U.S. firms. Its main supporters were 340 corporations/trade associations, many of which were (and are) Fortune 500 firms in the oil, chemical, finance, and utilities industries.⁷³

⁷⁰. *ibid.*; Edsall, 1984.

⁷¹. *ibid.*; Edsall, 1984.

⁷². *ibid.*; Edsall, 1984.

⁷³. *ibid.*; Edsall, 1984.

Although the concerns and agendas of the research institutes discussed above differed in some respects, they "spoke with one voice" when it came to the domestic policies of the U.S. federal government. These organizations argued that corporate/business taxes should be cut and that federal spending for social welfare programs should be cut. The rationale for tax cuts was that they would provide higher profits for businesses. Higher profits, it was argued, would be socially useful because it would provide businesses with the resources necessary for increased investments in new plant and equipment as well as research and development. Such investments would serve to rejuvenate the U.S. economy and, thereby, enhance the ability of U.S. firms to compete in the global marketplace. The rationale for social welfare spending cuts was that, because of heightened global economic competition, relatively high levels of social welfare expenditures were no longer affordable.⁷⁴

Not only did U.S. firms provide substantial support

⁷⁴. Block, Fred. "Rethinking the Political Economy of the Welfare State." Block, Fred; Cloward, Richard A.; Ehrenreich, Barbara; and Piven, Francis Fox. The Mean Season. New York: Pantheon Books, 1987.

to think tanks during the decade of the 1970s, but they also began substantially increasing their involvement in lobbying efforts. For example, in 1972, the Business Roundtable was formed. This business lobbying organization was the result of a merger between two smaller organizations (The Construction Users Anti-Inflation Roundtable and the Labor Law Study Committee) which had focused primarily on issues pertaining to labor-management relations. The Business Roundtable initially kept this focus until it merged with an informal group of C.E.O.s. After this merger, it broadened its concerns to include anti-trust policy, policies pertaining to government regulation of industries, and tax policy. One of the major goals of the Business Roundtable during the period of the 1970s was to convince the federal government of the need to lower corporate taxes. It also lobbied for the reduction of federal spending for social welfare programs.⁷⁵

During the 1970s, the business community also increased their lobbying efforts by revitalizing the U.S. Chamber of Commerce (a business lobbying organization). In the early 1970s, the budget of the Chamber of Commerce

⁷⁵. *ibid.*; Edsall, 1984.

was about \$20 million, and it had about 50,000 members. By 1984, the budget of this organization had grown to \$65 million, and its membership had grown to 215,000. This too was an organization which lobbied for corporate tax cuts and cuts in federal governmental social welfare expenditures.⁷⁶

Another component of the business mobilization was its increasing involvement in the formation of PACs. In 1974, there were 89 corporate PACs. In 1978, there were 784 corporate PACs. By the end of 1982, there were 1,467 corporate PACs. During the same period, the number of what the Federal Election Commission calls the trade-membership-health PACs doubled from 318 to 628. The American Bankers Association, The National Association of Homebuilders, and the Automobile and Truck Dealers Association are among the trade associations with PACs which fall within the category of trade-membership-health PACs. Over the decade of the 1970s, the amount of money channeled into federal campaigns by corporate and trade association PACs grew tenfold from \$8 million to \$84 million⁷⁷.

⁷⁶. *ibid.*; Edsall, 1984.

⁷⁷. *ibid.*; Edsall, 1984.

In an effort to restrain falling profits, the U.S. business community, during the 1970s and 1980s, also provided significant support to the Republican Party and. American businesses supported the GOP to a much greater extent than it supported the Democratic Party, presumably because it felt that the GOP would be more supportive of its domestic policy agenda.

During the 1978 House of Representatives (House) elections, corporate PACs donated a total of 19.8 million to candidates. \$16.1 million or 62% of this money went to Republicans while only \$3.6 million or 37% went to Democrats. During the 1980 Presidential, Senatorial, and House elections, independent oil industry members made donations totalling \$25.7 million. Some of this money went into GOP coffers, some of it to non-oil state Republicans, and the rest went to the Reagan campaign. This amount exceeded that raised by either the Democratic National, Senatorial, or Congressional Committees. Also during the 1980 elections, 165 of the 180 candidates supported by the Chamber of Commerce were Republicans. At this time, 34 candidates were opposed by the Chamber. All of the candidates opposed were Democrats.⁷⁸

⁷⁸. *ibid.*; Edsall, 1984.

During the 1980 Presidential election Pennsylvania Primary, David M. Roderick, the Chairman of U.S. Steel at the time and a group of other steel industry figures raised funds for the Reagan campaign.⁷⁹ It should also be added that Jack Wrather (an independent oil industry entrepreneur), Justin Dart (a drugstore industry entrepreneur), Earl Jorgenson (a steel industry entrepreneur), and Holmes Tuttle (an entrepreneur in auto dealerships) provided contributions to Reagan's campaign that added up to well over a million dollars.⁸⁰

The attempt of the U.S. business community to shape the public policy agenda apparently paid off. In 1981, Reagan, with Congressional support, passed the Economic Recovery Tax Act (ERTA). This piece of legislation sanctioned, among other things, a corporate tax reduction. As a consequence of this tax cut a number of businesses paid no business taxes at all, and some had their investments in new plant and equipment subsidized

⁷⁹. *ibid.*; Ferguson and Rogers, 1981.

⁸⁰. Blumenthal, Sidney. The Rise of the Counter Establishment. New York: Times Books, 1986.

by the federal government.⁸¹ Reagan also was able to get Congress to support significant cuts in social welfare spending.⁸²

Another way U.S. businesses tried to reverse the direction of their falling profits was by attempting to reduce their labor costs. Apparently, one way they tried to accomplish this was by increasingly setting up corporate facilities outside of U.S. borders.

In 1965, total direct U.S. investment abroad-in factories, office buildings, machine tools, and office equipment-was less than \$50 billion. By 1975, this figure was \$124 billion dollars. By 1980, this figure had reached \$213 billion.⁸³ By engaging in offshore investments U.S. firms were (and are) able to significantly decrease their labor costs. Table 1 provides hourly wages for production workers in manufacturing for various nations during the period from

⁸¹. Hulten, Charles R. and O' Neil, June A. "Tax Policy." Palmer, John L. and Sawhill, Isabel V. (editors). The Reagan Experiment. Washington, D.C.: The Urban Institute Press, 1982.

⁸². Piven, Frances Fox and Cloward, Richard A. The New Class War. New York: Pantheon Books, 1985.

⁸³. *ibid.*; Harrison and Bluestone, 1990.

1979-1982.

TABLE 1
Wages Around the World
Total Hourly Compensation for Production
Workers in Manufacturing in Various Years
Between 1979 and 1982

United States	\$11.79
Brazil	\$2.43
Mexico	\$1.97
Singapore	\$1.77
Taiwan	\$1.57
Hong Kong	\$1.55
South Korea	\$1.22
Sri Lanka	\$0.21

Source: The Great U-Turn, Harrison and
Bluestone, 1990.

The figures in Table 1 indicate that, for the period covered, wages in the U.S. were substantially higher than those in the other nations shown. Some of these nations

(e.g., Mexico) were (and are) ones in which U.S. Firms had (have) large investments.

Another way by which U.S. firms tried to decrease their labor costs was by utilizing their power resources (e.g., ability to withhold capital) to gain concessions from their employees. Between 1964 and 1980, wage freezes and pay cuts were infrequent occurrences in the unionized sector of the economy. In 1982, the year of the trough of the 1981-1982 recession, 44% of the unionized work force who were bargaining for new contracts took pay cuts or forewent pay increases for at least the first year of the new contract. By 1985, a third of all workers covered by new collective-bargaining agreements submitted to a total freeze or cut in pay. Also 40% of workers who previously had cost-of-living-adjustment (COLA) clauses in their contracts lost them in 1985. Only one-third of workers with new contracts in this year were covered by COLAs, down from 50% in 1983 and 40% in 1984. Only 15% of workers were covered by COLAs in contracts negotiated during the first three months of 1986.⁸⁴

U.S. employers also tried to reduce their labor

⁸⁴. *ibid.*; Harrison and Bluestone, 1990.

costs by establishing two-tier wage systems. Simply put, what this means is that firms developed different pay systems based on when workers were hired. For example, in 1985, a contract between General Motors Corporation and the United Auto Workers sanctioned that newly hired workers would be paid only 85% of the base wage for workers hired earlier, but they would attain full parity after working for 545 days. In contrast, the 1985 contract between the International Union of Electrical Workers and GM's Packard Electric Division paid new workers only 55% of the base wage of workers hired earlier. According to the terms of the contract, these workers would not attain full parity until after having worked for the company for ten years. In 1984, new contracts containing two-tier wage provisions covered 10% of the unionized labor force. By 1985, new contracts containing such provisions covered over a third of unionized workers.⁸⁵

Another way U.S. businesses attempted to reduce their labor costs was by replacing full-time permanent hirings with "contingent workers"--part-time, temporary, and subcontracted employees. The number of such workers

⁸⁵. *ibid.*; Harrison and Bluestone, 1990.

rapidly grew after 1973.⁸⁶ According to duRivage, most of these workers were (and are) women and "minorities" working in low wage jobs with no benefits (e.g., health benefits, pensions, etc.).⁸⁷

U.S. businesses also tried to reduce their labor costs by actually stripping jobs of benefits. According to Medoff, between 1979 and 1990, the proportion of those newly hired who got pensions fell from 43% to 38%.⁸⁸

Trends in Wages of U.S. Workers

The U.S. business response to declining profits appear to have served to reduce this decline. As a result of tax changes enacted by the Reagan administration and the assault on the well-being of workers, by 1984, the average after tax profit rate for U.S. businesses had rebounded to more than 7% which was about the level which had prevailed in 1969. This was

⁸⁶. ibid.; Harrison and Bluestone, 1990.

⁸⁷. duRivage, Virginia L. "Flexibility Trap: The Proliferation of Marginal Jobs." The American Prospect. No. 9 (Spring, 1992).

⁸⁸. Medoff, James. "The New Unemployment." Cited in Piven, Francis and Cloward, Richard A. Regulating the Poor (manuscript) 1993.

better than the 4.5% achieved in 1980 and better than the average of 5.7% in the 1970s. From the trough of the recession of 1982 through the end of 1986, the owners of U.S. corporations enjoyed an increase, adjusted for inflation, of 92% in the level of profits before taxes. After tax profits, as a result of falling corporate tax rates, increased by 118%.⁸⁹

The U.S. business response to declining profits apparently did not impact on workers' wages as positively as they did on profits. Between 1973 and 1986, the total real wage bill for the manufacture of durable goods--such as automobiles and equipment--declined by more than \$16 million per hour of work, or 17.5%. In 1986 dollars, the total wage bill for the manufacture of non-durable goods--such as apparel, textiles, and shoes--fell by more than \$5 million per hour, or 9.7%. Thus, as a whole, manufacturers in the U.S. were paying out, in 1986, nearly \$22 million less each hour than they had been in 1973. From the perspective of workers, this means that by 1986, they were being paid from \$15 to \$17 million less, after deducting income taxes and Social Security

⁸⁹. *ibid.*; Harrison and Bluestone, 1990.

payments, than in 1973.⁹⁰ According to the Bureau of the Census, inflation adjusted average hourly wages for non-supervisory personnel in the private sector were lower in 1991 than in any year during the 1970s or 1980s.⁹¹

According to a number of analysts, the developments discussed above were accompanied by a related development: the formation of a "deindustrial" economy. This type of economy is characterized by the dominant role played by the service as opposed to the manufacturing sector. In 1948, services accounted for 55% of total employment, whereas the manufacturing sector accounted for 45% of total employment.⁹²

By 1990, about 70% of all workers were in the service sector of our economy, whereas the manufacturing

⁹⁰. *ibid.*; Harrison and Bluestone, 1990.

⁹¹. U.S. Dept. of Commerce/Bureau of the Census. Statistical Abstract of the United States. Washington, D.C.: U.S. Dept. of Commerce/Bureau of the Census, 1993.

⁹². Ginzberg, Eli. "The Service Economy and the Changing Job Structures." Ullrich, Robert A and Araskog, Rand V. The American Work Force: Labor and Unemployment in the 1980s. Massachusetts: Auburn House Publishing Company, 1984.

sector accounted for only about 30% of workers.⁹³ I am aware of no evidence which suggest that this latter relationship is significantly different now.

The service sector of our economy is described by a number of analysts as two-tiered. The upper-tier is comprised of jobs which pay well but typically require training and/or education beyond the high school level (an investment banker would be an example of such a job). The lower-tier is comprised of jobs which do not pay very well and often require only a high school diploma or GED (a McDonald's cashier would be an example).⁹⁴ In 1986, workers at the lower end of the service sector made wages less than \$11,400/year.⁹⁵ This was only \$197 more than the official poverty line that year for a family of four which was \$11,203.⁹⁶

Having completed the task of laying out the economic

⁹³. Gaffikin, Frank and Morrissey, Mike. The New Unemployed. New Jersey: Zed Books, 1992.

⁹⁴. *ibid.*; Blau, 1992.

⁹⁵. *ibid.*; Sweeney, 1989.

⁹⁶. U.S. Dept. of Commerce Economics and Statistics Administration. Statistical Abstract of the United States. Washington, D.C.: Bureau of the Census, 1994.

environment within which we have been trying to move welfare recipients into the labor force, I am now ready to put forth my analysis of the cultural function of mandatory welfare-to-work programs. My concluding chapter will deal with this issue.

CHAPTER 5

THE SANCTITY OF WORK

The major significance of mandatory welfare-to-work programs is cultural. Their primary function is to promote the ideology of the sanctity of work. This ideology holds that all able-bodied adults are morally required to work for their incomes. My position on this issue has been greatly influenced by the work of Frances Fox Piven and Richard A. Cloward. However, I think the "grand" social theoretical foundation for this position can be found in the work of Emile Durkheim.

Technocratic Policy Analysis

Much of the present work, like that of other secondary analysts of mandatory welfare-to-work programs, has been from the technocratic policy analysis (TPA) point of view. What are the components of this point of view?

First of all, TPA focuses on "social problems". Just as individuals are often afflicted with problems, societies are often afflicted with them as well. The

problem we have been concerned with in the present work is the problem of welfare dependency.

Secondly, TPA focuses on methods of intervention which are designed to address social problems. We have been concerned with mandatory welfare-to-work programs as interventions to alleviate the social problem of welfare dependency.

Thirdly, TPA concerns itself with assessing whether or not and to what extent a given intervention accomplishes what it was designed to accomplish. In regard to the task at hand, the employment impact studies of mandatory welfare-to-work programs are examples of such assessments.

If it is found that a given intervention has not done well at accomplishing its goal, the TPA approach focuses on trying to determine what might be done to improve on the ability of an intervention to reach its goal. Regarding the present work, the provision of child care assistance, health insurance, and other practices discussed in previous chapters are examples of ideas having to do with improving the performance of mandatory welfare-to-work programs.

The TPA approach has a key strength. It is an

approach characterized by what Max Weber refers to as instrumental rationality. Instrumentally rational action is a type of social action which involves the calculation of the most effective means for the realization of given ends.⁹⁷ The TPA focus on the methods by which we solve social problems and the efficacy of such methods is indicative of an instrumentally rational point of view. The strength of the approach is that it makes us sensitive to the shortcomings of our attempts to address pressing social issues, and this sensitivity serves to facilitate the design of interventions which are more likely to allow us to obtain our stated goals.

Its instrumentally rational perspective is also the key limitation of the technocratic approach to policy analysis. Its focus on the methods by which we solve social problems and the efficacy of such methods tends to result in technocratic policy analysts paying too little attention to the broader cultural, economic, and political functions served by public policies which have no direct bearing on the stated goals of such policies.

⁹⁷. Weber, Max. The Protestant Ethic and the Spirit of Capitalism. New York: Charles Scribner's Sons, 1958.
_____. Economy and Society Vol I. California, University of California Press, 1978.

For example, in their technocratic approaches to the analysis of mandatory welfare-to-work programs, analysts such as, Goodwin, Milius, Gueron, Pauly, and others typically have little to say about the possibility that these programs might serve broader social functions which are unrelated to the extent to which they directly promote work. In contrast to this practice, I intend to say a great deal about what I think these functions are.

Durkheim's Theory of Crime

In The Rules of Sociological Method, social theorist Emile Durkheim provides us with his theory of crime.⁹⁸ He tells us that all societies define certain behaviors as criminal and punishes those behaviors so defined. For this reason, Durkheim argues that crime is a normal characteristic of societies. He then raises the following question: why do all societies define certain actions as criminal and punish those who commit actions defined as such?

Durkheim's answer begins with a discussion of the

⁹⁸. Durkheim, Emile. The Rules of Sociological Method. New York: The Free Press, 1938.

"collective consciousnesses" of societies. The collective consciousness of a given society refers to the shared sentiments, feelings, beliefs, and system of norms which characterize that society. A contemporary sociological term for collective consciousness would be culture. According to Durkheim, a given society defines certain behaviors as criminal and punishes those behaviors because such behaviors offend the collective consciousness of that society. In other words, such behaviors violate the components of the culture of the society in question, and the punishment of these criminal behaviors serve to promote general allegiance to the culture among its members.

Durkheim's Theory of Crime and the Cultural Function of Mandatory Welfare-to-Work Programs

As far as I know, Durkheim never had anything to say about mandatory welfare-to-work programs. However, his theory of crime helps us understand the cultural function of these crucial social institutions.

As far as we know all societies require most of their adult able-bodied members to engage in some form of work. This is so because the work of the members of a

given society is what allows that society to sustain itself. Thus, societies (or more accurately those who constitute them) have an interest in developing social institutions which have the effect of assuring that most of those who are able to do so engage in some form of work.

In the U.S., the terms of work operate according to the dictates of the "market". Work is viewed as a commodity which is sold in the market for human labor power. And a belief or ideology develops which posits that all able-bodied adults should participate in this market. I refer to this ideology as belief in the sanctity of work. This ideology is a component of the collective consciousness or culture of the U.S.

A number of able-bodied persons in the U.S. do not participate in the labor market. Many of these individuals end up receiving welfare benefits. These individuals through their disengagement from the labor market, though not committing a criminal act, are violating one of the components of our collective consciousness. Mandatory welfare-to-work programs are responses to this violation which serves the function of promoting our cultural belief in the importance of work.

The frequent public discussion which centers on these programs socializes us into the ideology of the sanctity of work.

The outcome of the socialization process referred to above is that the general populace comes to view the receipt of welfare benefits as an inherently inferior alternative to earning one's way through hard work, and thus, the welfare recipient comes to be viewed as morally inferior to the working person. The wages one receives for working do not appear to be as important as whether or not one works at all. The broad public support for mandatory welfare-to-work programs documented in key studies is indicative of the public's dislike of one's being able to receive an income without having to work for it.

In a recent article on public attitudes toward welfare reform, Gavin, Molyneux, and DiVall report some important findings.⁹⁹ To obtain their findings they conducted eight focus groups with diverse groups of respondents (e.g., African-Americans, European-

⁹⁹. Gavin, Geoffrey; Molyneux, Guy; and Divall, Linda. "Public Attitudes Toward Welfare Reform." Social Policy. (Winter, 1994).

Americans, and Latinos) and a national survey of 1,020 registered voters. They tell us that the majority of their respondents believe that helping people get off welfare and into the work force should be the nation's top welfare reform goal. They also tell us that 93% of voters favor requiring welfare recipients to work for their benefits.

In an article on the views of welfare recipients regarding public assistance, Rank informs that their attitudes are similar to those among the general population.¹⁰⁰ Recipients of welfare benefits are also very interested in seeing welfare recipients leave welfare for work. For example, he tells us that one recipient told him,:

that's why a lotta these people (welfare recipients) have children because they don't wanna work. They wanna have everything handed to 'em (p.41).¹⁰¹

Ellwood tells us that, similarly to the case

¹⁰⁰. Rank, Mark R. "A View from the Inside Out: Recipients' Perceptions of Welfare." Journal of Sociology and Social Welfare. Vol 21 No. 2 (June, 1994).

¹⁰¹. *ibid.*, Rank, 1994.

regarding the general populace, there is widespread support for mandated welfare-to-work programs among those on welfare.¹⁰² He tells us that many participants in mandatory welfare-to-work programs are grateful for the opportunity to do something "productive", although they think employers benefit from the programs more so than they do.

Those sympathetic to the perspective of James C. Scott might question the evidence which suggest that welfare recipients believe in the sanctity of work as much as members of the general population. In Domination and the Arts of Resistance, Scott makes a distinction between "public transcripts" and "hidden transcripts".¹⁰³ Public transcripts refer to the stories told by subordinate groups when they are in the presence of their oppressors. Subordinates say what they think their oppressors want them to say out of fear of being harmed in some way for not doing so. Hidden transcripts refer to the stories told by subordinates when they are not in the presence of their oppressors

¹⁰². *ibid.*; Ellwood, 1988.

¹⁰³. Scott, James C. Domination and the Arts of Resistance. Connecticut: Yale University Press, 1990.

(although, under certain conditions, hidden transcripts may become public). The hidden transcripts of subordinate groups are thought to contain their true feelings, beliefs, opinions, etc., regarding their place in the world and that of their oppressors.

An advocate of Scott's point of view might argue that those on welfare who voice concerns about moving welfare recipients into the work force are simply putting forth a public transcript and, in actuality, these individuals do not believe what they are saying. I am skeptical about the validity of this argument. It is, at best, debatable whether the social scientists, who were the recipients of these, allegedly, public transcripts, can be viewed as oppressors. In Domination and the Arts of Resistance, Scott does not provide a precise definition of oppression. He does provide historical examples of categories of persons he views as having been or as being oppressors: Lords, slave masters, employers, etc. It is not at all clear that the social scientists who found that welfare recipients profess belief in the sanctity of work should be classified as oppressors along with lords, slave masters, etc. The question of whether these social scientists should be considered oppressors

is crucial because if they should not be considered so, it becomes difficult to argue that welfare recipients who profess belief in the sanctity of work are putting forth a public transcript. In that case, a better explanation for their expression of support for this ideology of work might be that they really believe in it.

The cultural function of mandatory welfare-to-work programs has important social consequences, of both an economic and political nature. The economic consequences will be discussed first.

As discussed in the last chapter, our deindustrial economy is currently contains a lot of low wage jobs which are also often part-time and temporary. We also found that these jobs often require low levels of formal education. Workers employed in low wage, temporary, and/or part-time jobs lead a marginal economic existence; it is not unlikely that, at times, they might need welfare benefits. The cultural function of mandatory welfare-to-work programs makes these marginal workers disinclined to take advantage of welfare because of its effect of socializing workers to despise public assistance and those who receive such assistance. Instead of taking advantage of benefits to which they

might be entitled, economically marginal workers with little formal education "hit the pavement" in an attempt to find another low wage employer who is willing to purchase their labor power or remain with the one who is purchasing it on a part-time and/or temporary basis. In short, the cultural function of mandatory welfare-to-work programs serves the economic function of making it easier for low wage employers to obtain a supply of cheap labor.

The cultural function of mandatory welfare-to-work programs also has political consequences. It creates a populace, as the broad public support for mandatory welfare-to-work programs referred to above shows, which is profoundly concerned about ending welfare dependency by making welfare recipients work. This state of affairs provides incentives for politicians already in office and those running for office to propose a variety of mandatory welfare-to-work schemes purportedly designed to reform welfare by moving welfare recipients into the job market. And the public debate around such schemes, in turn, generates more public support for them.

The consequence of all this is that the political discussion around welfare reform becomes so narrow that it neglects to concern itself with other problems related

to this important issue. By way of example I will discuss just one such problem: the problem of the inadequacy of AFDC benefits.

The real value of AFDC benefits have been declining since the mid-1970s. In no state does AFDC benefits bring an AFDC family's income above the official federal poverty line, and this remains the case even when the value of food stamps are added to the value of AFDC benefits. AFDC benefits in 41 states are below the state's own definition of the minimum needed for a family within the state to meet its basic needs.¹⁰⁴ To my knowledge, these facts have received very little attention in the political debate around welfare reform. This is because our politicians and political pundits have spent most of their time pushing for or debating the merits of programs designed to move welfare recipients to work.

In an earlier chapter, I stated that the precursors of the AFDC program were the Mother's or Widow's Pension programs. I also stated that these programs were designed to allow women to raise their children in their

¹⁰⁴. Center on Social Welfare Policy and Law. Living at the Bottom. New York: Center on Social Welfare Policy and Law, 1994.

own homes without their having to participate in the labor market and that we did not begin our national preoccupation with moving welfare recipients into the work force until the 1960s. This preoccupation marked the beginning of our national advocacy of mandatory welfare-to-work programs which have been significant mainly for their ability to promote the ideology of the sanctity of work.

I restate these points because I want to anticipate a possible misunderstanding of my argument. Some might draw the conclusion that I am arguing that the importance of social welfare policy as a means of promoting belief in the sanctity of work is a relatively recent development. Such a conclusion would be quite far from the truth. In fact, I think that mandatory welfare-to-work programs are contemporary expressions of a social welfare practice which was prevalent in the U.S. back in the 19th century. This was the practice of granting poor relief (the 19th century equivalent of welfare) only if the recipients of such relief were willing to reside in workhouses.

Workhouses were institutions in which the poor, in order to receive benefits, were required to work long

hours. This activity was supposed to socialize the workhouse residents into a system of values which might allow them to eventually become self-sufficient. The available historical evidence suggest that workhouses did little to promote such a process but probably did a great deal to deter the needy from seeking relief¹⁰⁵. This is because the major function of workhouses was not to facilitate self-sufficiency but to promote the ideology of the sanctity of work.

The public issue which served as the impetus for the development of workhouses was "pauperization". Paupers were those among the poor who were so not because of circumstances beyond their control but because of their own shiftless behavior. The public issue which has served as the impetus for the development of mandatory welfare-to-work programs is welfare dependency. Like paupers used to be, welfare dependents currently are viewed as largely responsible for their poverty. They are responsible for their poverty because their laziness is mainly what accounts for their impoverishment. Just as during the 1800s, America created its institutions to publicly degrade its paupers, so during the later part of

¹⁰⁵. *ibid.*; Katz, 1986.

the 1900s, we have created institutions to publicly degrade ours. Mandatory welfare-to-work programs are our new workhouses. By way of these programs we have managed to recapture the spirit of 19th century America.

In The Mean Season, Piven and Cloward tell us that proponents of workhouses developed a discourse which alleged that the granting of poor relief caused poverty to increase.¹⁰⁶ This was because the granting of relief allowed the poor to have their needs met without their having to work, which is the activity which would have allowed them to escape impoverishment. There are contemporary proponents of this point of view, an example of which is the social scientist Charles Murray.

In Losing Ground, Murray makes the argument that welfare creates a disincentive for welfare recipients to work.¹⁰⁷ The consequence of this disincentive is that welfare recipients work less than they would if there were no welfare, which is to say that they spend less

¹⁰⁶. Piven, Frances Fox and Cloward, Richard A. "The Historical Sources of the Contemporary Relief Debate." Block, Fred; Cloward, Richard A.; Ehrenreich, Barbara; and Piven, Frances Fox. The Mean Season. New York: Pantheon Books, 1987. *ibid.*; Piven and Cloward, 1987.

¹⁰⁷. Murray, Charles. Losing Ground. New York: Basic Books, 1984.

time engaging in that activity which would allow them to escape poverty. The evidence Murray uses to support this view comes from the relationship between pre and post-Great Society poverty rates (technically, the poverty rate he uses is the pre-transfer poverty rate which is the rate of poverty computed without counting transfer payments as income).

Murray tells us that before the expansion of AFDC spending during the 1960s, poverty had been declining. In the 1950s, one-third of the U.S. population was poor. By 1965, this proportion had dropped to 21%, and by 1968, it had dropped to 18%. However, by 1972, after the AFDC expansion, this proportion had increased to 19%. By 1976, it had gone up to 20%, and by 1980, 22% of U.S. residents were poor. Because of the fact that pre-transfer poverty increased after an increase in AFDC spending Murray concludes that the increase in poverty was caused by the increase in AFDC spending.

What Murray does here is commit what philosophers refer to as the "post hoc, ergo propter hoc" fallacy. In English, this is translated as the "after this, therefore because of this" fallacy. For example, if one noticed that B occurred after A and, on the basis of this

observation, concluded that B was caused by A, this person would have committed the post hoc fallacy. Murray observes that pre-transfer poverty increased after an expansion in spending for AFDC, and, on the basis of this evidence, concludes that the increase in pre-transfer poverty was caused by the increase in spending on welfare. However, Murray's conclusion simply does not follow from his evidence. The fact that an increase in pre-transfer poverty occurred after an increase in spending on welfare does not necessarily mean that this increase in poverty was caused by the welfare spending increase. There are other factors which could have caused the increase in pre-transfer poverty observed by Murray.

During the 1970s, the labor force grew as a result of more women and "baby boomers" seeking employment, yet the economy did not grow enough to accommodate this new influx. Consequently, unemployment doubled from 3.6% in 1968 to more than 7% in 1980. It is also the case that real income fell during the 1970s. In 1982 dollars, the 1973 median earned income for adult male workers was \$18,360 for whites and \$11,551 for blacks. By 1982, the median earned income was \$14,768 for whites and \$9,493

for blacks. Thus, the evidence raises the possibility that the rise in pre-transfer poverty observed by Murray was due not to the rise in AFDC spending but to increasing unemployment and decreasing real income.¹⁰⁸

Charles Murray is not the only current commentator who has developed a perspective intended to raise questions about the legitimacy of the unconditioned provision of welfare benefits. There is another important perspective to be considered which I refer to as the philosophy of "obligatory citizenship". This is the point of view which has provided the justification for the development of mandated welfare-to-work programs. The most articulate spokesman for the philosophy of obligatory citizenship is political scientist Lawrence Mead.

The Philosophy of Obligatory Citizenship

Lawrence Mead's philosophy of obligatory citizenship can be found in his 1986 work entitled Beyond Entitlement.¹⁰⁹ In this work Mead tells us that the U.S. is a civic community, that the U.S. federal

¹⁰⁸. *ibid.*; Piven and Cloward, 1987.

¹⁰⁹. *ibid.*; Mead, 1986.

government is the representative of this civic community, and that U.S. citizens are members of this community. Mead, however, appears to have a different view of what constitutes citizenship than the one embodied in our legal norms.

The "laws of our land" tell us that anyone who is born in the U.S. or who has gone through our "naturalization" process is a U.S. citizen and, therefore, a member of the U.S. civic community. For Mead, birth in the U.S. or naturalization are not sufficient conditions for U.S. citizenship. In order to be a member of the U.S. civic community, one must also meet her/his obligations to this community. The obligation Mead is most concerned with is work. As far as Mead is concerned, U.S. residents who are capable of working but who are not doing so are not members of the U.S. community. Further, Mead tells us that only citizens (e.g., those meeting communal obligations) are entitled to make demands on the resources of the civic community. Therefore, those who are able to work but who are not doing so have no right to demand that the community provide for their subsistence. If the community should choose to provide for the subsistence of

such people, this should be viewed as an act of charity for a group of pariahs.

Welfare recipients, according to Mead, are not meeting their obligation to the U.S. community because they are not working. Thus, they are not members of the U.S. civic community and have no right to make demands on it. However, through welfare state institutions, the community has chosen to provide for their subsistence. Mead believes that this state of affairs gives the U.S. civic community the right to demand that welfare recipients work in return for their benefits. In other words, Mead feels that because the U.S. community provides welfare recipients with benefits, it has the right to require them to enroll in the type of mandated welfare-to-work program called workfare.

The philosophy of obligatory citizenship is not one professed only by academics. Apparently, a number of politicians support this philosophy too. The fact that President Clinton and House Republicans support the practice of requiring welfare recipients to work and/or preparing for work in return for their welfare benefits suggest that they too are proponents of the philosophy of obligatory citizenship.

I find the philosophy of obligatory citizenship to be a questionable one. This is because I take issue with its conception of work. Apparently, for Mead and other proponents of obligatory citizenship philosophy, work is a concept which refers only to employment activities counted in the nation's Gross National Product (GNP). It seems to me, that a better way to conceptualize work is by viewing it as those activities which contribute to a given community by helping to produce and reproduce the goods and services necessary to sustain it.

Unlike many other organisms, when human beings are born they are extremely vulnerable and dependent on others for their well-being. They require a great deal of nurturing and socialization before they reach the point at which they are able to assume roles which allow them to make contributions to the communities with which they identify. As we are told by Chodorow, throughout human history women have done most of the nurturing and socializing of vulnerable and dependent children, which is to say they have been the ones who have engaged in most of the caretaking work which has allowed human

communities to persist.¹¹⁰ By ignoring the fact that welfare recipients engage in caretaking work, proponents of the philosophy of obligatory citizenship have ignored the fact that these women engage in an undertaking which has functioned and does function as a necessary condition for the preservation of human communities. This seems to me to be an affront not only to women on welfare but to all women who engage in caretaking activities.

In The Mean Season, Piven and Cloward tell us that perspectives which are constructed to challenge the legitimacy of the unconditional provision of relief benefits usually accompany large scale changes in economic arrangements. For example, when the 19th century political economist Thomas Malthus argued that relief provision causes pauperism, he was doing so at a time when manufacturing and agricultural capitalists required an increasing number of low wage laborers. Piven and Cloward suggest that Malthus and others intended their discourse on relief to have the effect of de-legitimizing relief provision in the eyes of the populace and, thereby, providing employers with low wage

¹¹⁰. Chodorow, Nancy. The Reproduction of Mothering. California: University of California Press, 1978.

labor.

In this work, I have argued that for about the last 25 years or so, our economy has been undergoing a transformation from a manufacturing to a service economy. I have indicated that our service economy is characterized by a substantial number of low wage jobs. This suggest that employers in the low wage sector of the service economy are in need of a supply of low wage labor. Accompanying this economic transformation has been the construction a set of discourses (e.g., Murray's, Mead's, and others) which argue against the unconditional provision of welfare benefits. One of these discourses, namely the philosophy of obligatory citizenship, has served as the justification for the institution of mandated welfare-to-work programs which, I have argued, have functioned to provide employers with a supply of low wage labor by way of reinforcing the ideology of the sanctity of work. It is difficult to know whether proponents of the philosophy of obligatory citizenship intentionally promulgate this point of view in an effort to provide employers with a supply of low wage labor. The possibility that they do so, though, is one I think should be taken very seriously.

Transcending the Sanctity of Work?

At this point, I should discuss another aspect of Emile Durkheim's theory of crime which is relevant to the present discussion. In The Rules of Sociological Method Durkheim tells us that the collective consciousnesses of societies are typically not too strong. They tend to be malleable enough to allow deviation even when such deviation takes the form of crime. Durkheim tells us that this state of affairs sometimes allows crime to be indicative of a progression to a new culture. Thus, the criminal is sometimes a socially progressive force. In Durkheim's words:

Aside from this indirect utility, it happens that crime itself plays a useful role in this evolution. Crime implies not only that the way remains open to necessary changes but that in certain cases it directly prepares these changes. Where crime exists, collective sentiments are sufficiently flexible to take on a new form, and crime sometimes helps to determine the form they will take. How many times, indeed, it is only an anticipation of

future morality--a step toward what will be (p.71).¹¹¹

In light of recent economic trends Durkheim's argument is a telling one. Aronowitz and DiFazio and others have documented that technological developments are creating the conditions whereby the amount of socially necessary labor power needed to produce our economy's output is declining.¹¹² Hence, there is developing the situation whereby the demand for labor power at decent wages is a great deal less than the supply of such power. This situation creates unemployment/underemployment and puts downward pressure on wages. The long-term outcome of such a situation could be a serious social and economic crisis.

To the end of trying to prevent such a crisis, analysts such as Aronowitz and DiFazio have argued that we should construct a social wage system which provides people with an income whether they work/look for/train for work or not. Such a social wage system is often

¹¹¹. *ibid.*, Durkheim, 1938.

¹¹². Aronowitz, Stanley and DiFazio. The Jobless Future. Minnesota: Minnesota Press, 1994.

called a guaranteed income. If such a system were constructed and if my analysis of the cultural function of mandatory welfare-to-work programs is correct, these programs, perhaps, would have no place in such a system. This is because we would have become a society which is dependent on less labor power to sustain itself and, thus, less dependent on social welfare institutions to assure that this work gets done.

The comments above suggest that perhaps we should consider beginning to view welfare recipients in a "new light". Instead of being shiftless, welfare recipients, by acting discordantly in relation to the ideology of the sanctity of work, might be playing that progressive role Durkheim tells us is sometimes played by criminals. They might be leading us in the progression towards a new culture which does not require mandatory welfare-to-work programs to promote and reinforce the ideology of the sanctity of work.

My comments in this section of the work have moved me into the realm of normative social analysis. In other words, these comments have been related to the issue of the kind of social arrangements we should have as opposed to those we do have. One vision (or, more accurately,

part of their vision) is that put forward by Aronowitz and DiFazio. There is an alternative way to deal with the problem these two thinkers have documented.

Mainstream economists tell us that every society must decide what it is going to produce and that in capitalist societies this issue is dealt with by way of the market. Consumers go out and purchase certain items. Their dollars are analogous to votes, and, for this reason, they signal to businesses what the public wants. As a result of this process, business women/men produce those things that meet the preferences of "the people". This mainstream economic view is, at best, questionable. There are a lot of us who prefer affordable housing, affordable health care, jobs which pay decent wages, and a viable economic infrastructure (e.g., stable bridges, well paved roads, etc.), yet the market does not appear to be adequately providing these goods. Also of concern is the question of whether or not it is always the best use of our resources to produce what people prefer. A lot of people want guns and mansions, but it is far from clear that the production of such goods constitute the best use of our resources. It is these kinds of market shortcomings which have led some economists to propose a

radical reform of the procedure by which we decide what we are going to produce. Bowles, Gordon, and Weisskopf have provided us with a very detailed discussion of how such a procedure might work.¹¹³ To conclude, I will focus on just one aspect of their discussion: the necessity of popular control over finance capital investment decisions.

Bowles et al. believe that we should construct a system which assures democratic control over investment decisions regarding finance capital. Some of the highlights of their proposal are as follows. They believe that labor unions should be allowed to establish democratically elected pension-fund investment boards. These boards would determine investments from both private and public union investment funds. They believe that a law should be passed to establish public control over all banks and insurance companies. This control would insure popular accountability of the investment uses of all personal savings kept in insurance reserves and time deposits. To accomplish this, local governments should be required to establish democratically elected community investment boards which would be able to decide

¹¹³. *ibid.*; Bowles, Gordon, and Weisskopf, 1983.

about the allocation of savings in their respective geographic jurisdictions.

The establishment of popular control over finance capital investment decisions would allow citizens to democratically decide what our social product should be, instead of the current practice of allowing market vagaries to, primarily, do so. This, Bowles et al. tell us, would allow citizens to be assured of the production of those things which are socially useful. It would also allow citizens to invest in those activities which would lead to job creation instead of job destruction and, thereby, curtail the current trend toward unemployment/underemployment.

Bowles et al. (in the work discussed here, at least) do not argue for a guaranteed income. They do not do so, presumably, because they feel that their scheme, only part of which was discussed here, would negate the need for such a system. They also do not argue for mandated welfare-to-work programs. They apparently believe that this system too would not be called for in the society they envision.

We end with two views regarding how we might transcend a social structure which requires punitive

social welfare programs to promote the ideology of the sanctity of work. One argues for a guaranteed income, and the other features a proposal for what might be called a form of radical democracy. It remains to be seen which, if either, of these visions will be realized.

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