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WELFARE AND WORK:
THE INSTITUTIONALIZATION
OF MORAL AMBIGUITY,

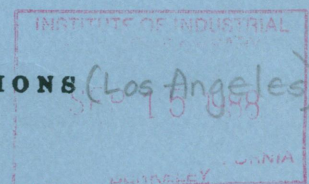
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Welfare and Work: The Institutionalization of Moral
Ambiguity¹

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Welfare and Work: The Institutionalization of Moral Ambiguity

The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able-bodied but destitute workers

F.D. Roosevelt, 1935

The Moral Ambiguity of Poverty

The idea of poverty, particularly since the 19th century, has been characterized by moral ambiguity (Himmelfarb 1983). The persistent existence of poor people in the secular Western nation-state that is governed by "rational" economic and political institutions has posed a moral dilemma that touches at the roots of the legitimacy of the nation-state. Poverty challenges the legitimacy of the dominant economic institutions by pointing to their failure to provide for the well being of all citizens. It undermines the stability of the political order by the threat that poor people pose to it (Piven and Cloward 1971), and it questions dominant cultural values that reinforce the "work ethic." (Feagin, 1975). The ambiguity becomes particularly acute in selecting remedies and responses to poverty. On the one hand, there is a moral imperative to care for the poor thus affirming the "rationality" of the nation-state and its obligations to its citizens. On the other hand, such care creates dependence on the nation-state, removes citizens from the economic production system, forces redistribution of resources

from the upper and middle classes to the lower classes, and erodes cultural norms of work and self-sufficiency.

It was Alexis de Tocqueville in his "Memoir on Pauperism" who noted the moral ambiguity of the old English Poor Laws. As Himmelfarb (1983:149) put it "Tocqueville could not but admire the effort to use the surplus of the wealthy to relieve the misery of the poor. But England ... was witnessing its most unfortunate effects. A basic fact of human nature was that man had a 'natural passion for idleness.' Of the two incentives that could overcome that passion and move men to work, the need to live and the desire to improve the conditions of life, only the first was effective for the majority of men. By guaranteeing to all the means of subsistence as a legal right, England had relieved the poor of the obligation to work." Malthus went further in articulating this ambiguity by raising the specter that "giving any relief to paupers would lead to an increase of their numbers, a decrease in the food available for the entire body of the poor, and thus a greater degree of misery and vice" (Himmelfarb, 1983:524)

The moral ambiguity is expressed in the insistent need to distinguish between the "deserving" and the "undeserving" poor. Deserving poor possess attributes which could readily justify state protection and care without challenging dominant cultural, economic and political norms. Undeserving poor, mostly the able-bodied, are those whose behavior and attributes challenge such

norms. Much of the history of public relief and welfare¹ can be seen as cyclical attempts to draw the boundaries between the poor and the pauper (Himmelfarb 1983, Katz 1986). These boundaries must be re-drawn as the social conditions in which poverty occurs change, and with them, the number and the characteristics of the poor. And they must be reaffirmed periodically because the complexity of poverty and its ever shifting characteristics tend to invalidate current distinctions. Yet, the paramount need to maintain such a distinction is fueled by the ever present moral ambiguity of poverty. The evolution of welfare laws and regulations is, in part, a process of creating and revising moral classifications of the poor and their attendant institutional responses. Sixteenth century London classified the poor into three "degrees" (which were further subdivided): a) the poor by impotency; b) the poor by casualty and c) the thriftless poor. The latter group being "undeserving" was required to work for its relief (Webb 1927, Vol. 7). Twentieth century United States has evolved a complex classification of the poor ranging from the disabled, blind and elderly who qualify for SSI to female heads of household who qualify for AFDC. In the latter group those with children over the age of five are considered able-bodied and are required to register to work. Roughly half the states acknowledge needy two parent families as deserving of assistance via AFDC-UP, but one of the parents, typically the father, is required to register for work. The true paupers are nonworking singles, mostly males, who may qualify for general

1. The term 'welfare' is used generically to refer to public assistance to the poor, and specifically to AFDC.

assistance under strict terms and often with the requirement to work for their relief.

One measure of the moral charge of public assistance can be gleaned from the wide gap between the high level of moral and political debate over welfare and its actual scope. Although public assistance, and particularly AFDC, has often occupied center stage in the national debate about social policy, the number of persons on AFDC and the expenditures for the program pale in comparison to the other components of the welfare state, particularly Social Security. In 1985 there were 11 million AFDC recipients (or 3.7 million families) representing less than 5 of the U.S. population. In contrast, 37 million persons received Social Security benefits. Public aid (which includes SSI) constitutes roughly 13 percent of all public social welfare expenditures with a per capita expenditure of \$376 as compared to \$1400 for Social Security in 1984. Thus, from a strictly economic perspective, public assistance clearly does not deserve the attention it is getting.

Indeed, there is another interesting comparison which can be made to highlight the moral controversy that AFDC generates. Few question the right of a widowed mother with children under the age of 16, whose deceased husband was insured by Social Security, to receive benefits which averaged to \$332 per month in 1985. Mothers only families not covered by Social Security must demonstrate poverty and be subject to a test of "deservingness"

to qualify for AFDC. Yet, it is hardly plausible to argue that the needs of the children living in the former families are inherently different than the needs of the children living in the latter families.

Work Requirement

Much of the moral ambiguity in granting relief to the poor centers on defining the conditions of the relief, particularly whether the poor should be expected to "earn" their assistance, that is work for it. The emphasis on work epitomizes the dilemma of granting relief and providing humane care while preserving the work ethic, maintaining social control and discipline, and regulating the labor market (Katz 1986): The work requirement itself is fraught with contradictions and uncertainties. First, it calls for a distinction between able-bodied and non able-bodied poor. Second, it requires some sort of a work-test to deter those who merely want to exploit the welfare system, yet it should not discourage the "truly needy" from seeking assistance. Third, the work requirement should be "rehabilitative" so that the poor can become productive and self-sufficient, and it should also bring a decline in the welfare rolls. Fourth, the work requirement should be provided by the state but not result in increased dependence on the state for employment. Fifth, the work requirement should be administered effectively and economically without burdening the taxpayers. Sixth, the work requirement should not compete with the normal labor market dynamics, either

by undermining current wage structures or by affecting the supply and demand of low wage labor. Yet, it should provide for a sufficient level of subsistence.

There is general agreement that the tumultuous history of welfare legislation is partly a result of the struggle to cope with these issues (e.g. Webb 1927, Katz 1986, Rein 1982, Mead 1986). The English Poor Laws which serve as the foundation for the evolution of American welfare laws offer vivid testimony to this struggle, as well as the numerous public assistance reforms attempted and enacted in the U.S. (see for example, Brown 1940; Bell 1965; Moynihan 1973; Aaron 1973; Leman 1980; Lynn and Whitman 1981). This history amply documents cycles of repeated failures and disappointments in organizing and structuring work relief or work requirements for the poor to be followed by new attempts. Remarkably, however, the institution of work requirements for the poor remains in one form or another.

My objective is to explain the persistence of the institution of work requirements for the poor in the face of countless operational failures, and particularly to understand the relationship between such institution and the organization of workfare programs². I am proposing that it is the nature of such a relationship that produces the wide gaps between intentions and outcomes, and yet allows them to continue. This relationship can be best explored from an institutional perspective coupled with a

2. By workfare I mean public assistance programs which combine cash assistance with some form of work requirement.

political economy of organizational adaptation. The institutional framework is used to understand how the moral ambiguity of poverty is transformed into a set of myths and ceremonies that are reflected in the social policy of welfare and work. The political economy framework is integrated into the institutional model to explain how workfare programs respond and adapt to the contradictory myths and ceremonies of work requirements.

A Theoretical Framework

a. The Institutional Perspective

Workfare programs can be viewed as institutional organizations whose formal structure is a reflection of dominant institutional norms on welfare and work. These institutional norms arise as the nation-state assumes increasing responsibility for the well-being of its citizens and as citizens, in granting legitimacy to the state, come to expect such responsibility (Marshall 1964). Thomas and Meyer (1984:470) argue that this process of "rationalization of both state and society is built on a unified cultural base" that, in the case of the poor, acknowledges a general moral obligation to care for them while sustaining the market economy. The emergence of welfare bureaucracies to uphold and reinforce these norms is part of this rationalization process. Thus, as proposed by Meyer and Rowan (1977:343) "Many of the positions, policies, programs and procedures of modern organizations are enforced by public

opinion, by the views of important constituencies, by the knowledge legitimated through the educational system, by social prestige, by the laws, and by the definitions of negligence and prudence used by the courts." The chief characteristic of institutionalized organizations is that their structure "adheres to the prescriptions of myths in the institutional environment" thus demonstrating that they are "acting on collectively valued purposes in a proper and adequate manner." Furthermore, the technological core is actually buffered from the structure because the emphasis on conformity with institutional rules may conflict with technical efficiency. It is in this sense that workfare programs are defined as institutional organizations. In this conception, the survival of workfare programs is a function of how well their structure and procedures conform to the institutional myths rather than how technically competent and efficient they are. Accordingly, how well these programs create bureaucratic structures and procedures to distinguish between able-bodied and non able-bodied poor and to certify their work status is more important to their legitimacy than how well these programs actually make the poor employable and remove them from the welfare rolls.

There are two issues in this formulation that must be addressed. First, the moral ambiguity of poverty makes problematic the linkage between cultural belief systems and organizations because of the lack of consensus about these belief systems. Their internal contradictions do not guide the

organizations as to which structural forms and procedures are legitimating. There is a need, therefore, to introduce a mediating variable between institutional norms and organizations. This variable is public policy which spells out some of the key elements of the organizational form of the planned program³. The public policy attempts to accommodate the moral ambiguity through several mechanisms. First, it embraces symbols and rhetorics which have ambiguous meanings. The contradictory views of poverty "makes possible a wide spectrum of ambivalent postures for each individual and a similarly large set of contradictions in political rhetorics" (Edelman, 1977: 7). Thus, at the public policy level workfare legislation can be viewed as the affirmation of symbols and myths⁴ that express the moral views of those who shape them. Therefore, the "success" of the public policy is not necessarily measured by specific outputs such as number of able-bodied poor who work, but rather by its ability to affirm and confirm the symbols and myths of the interest groups who participate in its formulation. What matters is the very existence of a workfare legislation regardless of whether it can be implemented effectively and efficiently. Second, the tensions and contradictions in the policy itself initiate periodic efforts at revisions in the direction of one or the other polars of the moral dilemma as various political and ideological groups gain or lose political influence. Third, there will be a disparity

3. By public policy I mean legislative or executive enactments by the state which are backed by promises of resources and/or threats of sanctions.

4. Edelman defines myth as a "widely accepted belief that gives meaning to events and that is socially cued, whether or not it is verifiable" (1977: 3).

between the symbols and myth and the actual allocation of resources or use of sanctions. By circumscribing the allocation of resources or the imposition of sanctions, there is avoidance of confrontation with the moral ambiguity. Fourth, a public policy which embodies moral ambiguity provides the organization with considerable discretion of implementation. It is not surprising, therefore, that public assistance and workfare have always been locally administered. Discretion provides for a decoupling between the policy and the organization. It enables the organization to weave its way through the contradictions of the policy and it permits the policymakers to retain the myths without having to be fully accountable for the organizational consequences.

The second issue in conceptualizing workfare programs as institutionalized organizations is to understand the processes by which such organizations exercise their discretion. Specifically, we need to understand how, in the face of policy contradictions, they implement workfare policies while maintaining organizational stability and legitimacy. It is not sufficient to assume that structural isomorphism with the policy symbols and myths will grant these organizations legitimacy. They also must organize to manage and adapt to their local economic and political environment. In this environment they may not necessarily escape being ultimately evaluated by their outputs even when they engage in proper myths and ceremonies. Furthermore, they must adapt to the periodic changes in the policy itself. Hence to

understand these organizational responses I propose that the institutional perspective needs to be augmented and complemented by a political economy perspective.

b. The Political Economy Perspective

The political economy perspective provides not only the theoretical link between the policy and the organization, but also between the latter and other components of the environment, including the poor. It also focuses on intra-organizational processes for allocating and managing resources and power that help explain the dynamics of implementing a morally ambiguous policy (Hasenfeld 1983; Wamsley and Zald 1976). A political economy approach to workfare views the program as "an arena in which various interest groups, external and internal, possessing resources needed by the organization, compete to optimize their values through it" (Hasenfeld 1983: 44) and it proposes that the operative goals of the program and its service delivery system will be shaped by power-dependence relations among the various constituencies composing the organization (see also Mintzberg 1983; Pfeffer and Salancik 1978). The public policy creates both opportunities and constraints in the availability and distribution of power and fiscal resources among these constituencies. They, in turn, respond and attempt to shape organizational structure and policies through various strategies including competition, bargaining, coalition formation, cooptation and threats (Benson 1975). The emerging service

delivery system reflects and represents the consequences of these strategies.

The implementation of workfare poses a series of external and internal political and economic dilemmas that must be attended to by the organization. Several external political issues arise. First, how to maintain some acceptable balance on the moral seesaw of welfare and work. The program needs to enforce work requirements without the specter of denying the poor the relief they deserve. Second, it must give credence to the symbols and myths of the policy by developing a scheme of identifying the able-bodied poor. If too many fall into such category the program stands accused of being merely a deterrence. If too many escape the category the program will be seen as undermining the "work ethic." Third, it needs to appease or neutralize various contending interest groups, particularly business groups and labor unions who might view workfare programs as unfair competition.

The external economy of workfare is especially volatile. First, the program must cope with changing demographic and economic conditions that affect rates of poverty and eligible clients. Increase in poverty among certain social groups such as female heads of household, young minority adults or immigrants creates new demand patterns that require different organizational responses. Second, the program is very sensitive to fluctuations in the business cycle. An economic downturn reduces welfare

generosity, increases the number of eligible clients but at the same time reduces the potential for work opportunities. Economic expansion, on the other hand, increases welfare generosity, reduces the number of eligible clients, but also makes the work requirements and opportunities less attractive. Alternatively, Piven and Cloward (1971) argue that during economic depression welfare and work relief are expanded to maintain social order; during economic expansion an increasing demand for unskilled labor welfare and work relief are contracted to push more low income people into the labor market. Third, the program is sensitive to the structure of the labor market and its wages. When the local labor market is dominated by secondary and low wage industries, it will present few attractive jobs and will depress the wages of welfare recipients. It will thus affect the nature of the work requirements and their level of compensation. Similarly, a highly segmented labor market will present major barriers in creating work opportunities for the poor in primary industries. Finally, workfare programs will be under pressure to demonstrate cost-effectiveness, namely that the savings in welfare grants exceed the costs of the workfare program, and that the program leads to a reduction in the welfare rolls. In general, the greater the reliance of workfare programs on publicly generated jobs, the higher the costs. On the other hand, reliance on jobs in the private sector may lead to the exploitation of the poor.

Several internal political and economic dilemmas can be noted. First is the extent to which internal authority can be effectively exercised in the management of workfare programs. Lipsky's view of such programs as "street level bureaucracies" (Lipsky 1980) suggests that line staff are likely to have considerable discretion in enforcing work requirements. A second dilemma is the extent to which authority and discipline can be exercised over the welfare recipients themselves, some of whom may have little or no motivation to participate in the workfare program. Thirdly, there is a problem of coverage. The more poor the program tries to serve, the more costly it becomes and the greater the client compliance problems. Fourthly, there is a delicate balance that must be maintained between the level of cash grant, incentive to work, enforcement of work requirements and exit from the welfare rolls. The higher the cash grant the less attractive become work requirements, and thus the less likelihood the exit from welfare unless there are strong work incentives in the form of earning disregard. Lower cash grants will push more recipients to work, but low earnings and unattractive incentives will maintain them in a state of lingering poverty.

The strategies that the organization undertakes to resolve these dilemmas will determine how the public policy is implemented and in what form. Thus, the relationship between the policy and the organization is mediated by these political and economic variables, and the organizational choices and responses

to them. I propose that it is difficult to understand the actual reality of workfare programs without considering these processes.

To summarize then, the theoretical model proposes that the moral ambiguity in our cultural values and norms about welfare and work are addressed in the formulation of public policies which have distinct characteristics emanating from the moral ambiguity. The implementation of these policies by workfare programs are mediated by political and economic variables as these programs try to "make sense" of the policies. It is through these processes at the policy and organizational levels that the moral ambiguity of workfare becomes institutionalized. The model suggests, then, a degree of loose coupling between the institutional norms and the policy, and between the policy and the organization which allow each to protect itself from the failures of the others (Weick 1976). Indeed they permit the creation of an interesting chain of moral causality of "who is to blame" when workfare programs fail. This chain begins with the clients who are to blame for the lack of program success. It continues, as the failures persist, to administrative structures and procedures, and then to the external political economy (i.e., lack of funds and resources). Ultimately it proceeds to the policy making level, but it seldom continues from there to challenge the cultural values and norms themselves.

I now turn to a critical review of the national experience with work relief and workfare programs in order to test the

validity and application of this model. In doing so, my intention is not to provide a detailed historical account, as this has been ably done by others. Rather, I plan to search for policy and organizational factors that have affected the performance of these programs. I will concentrate on Aid to Families with Dependent Children, the largest of the public assistance programs because it has been at the center of past and current debates on workfare.

The Historical Antecedents

a. The Workhouse

Much of the origin of current laws and practices in public assistance can be traced to the English Poor Laws. These laws, starting with the 43rd Elizabeth, have established the indispensable link between public assistance and work requirement. They created the inevitable tension between setting the poor to work versus giving them relief. To set the poor to work the laws were accompanied by the social innovation of the workhouse. As the precursor for workfare programs, it is remarkable how the workhouse's history and ultimate demise highlight some of the most fundamental problems that beset all workfare programs, past and present⁵. The institutional norm of "setting the poor to work" was translated by 1696 into a policy of creating a workhouse which would force all able-bodied persons

5. Much of the discussion on the workhouse is based on the monumental study by Webb (1927).

to work in meaningful jobs, with the assistance from manufacturers. A distinction was made between these poor and the elderly and the children of the poor. The elderly were to receive charity and the children were to be separated from their parents and settled into binding apprentices. The idea of the workhouse was to reinforce the norm that "every person by his labour add to the wealth of the public" (Webb 1927, Vol. 7: 118).

The political economy of this experiment pointed to dismal results. As noted by Sidney and Beatrice Webb, the workhouse was a financial failure in the sense that the profit from the work could not cover the cost of sustaining the poor. "At workhouse after workhouse the various manufactures that were tried had eventually to be given up, owing to the impossibility of so securing either honest management or continuous industry, either economical purchase of the raw materials or the full market price for the commodities produced" (Webb 1927, Vol 7: 223). The workhouses were beset by poor and often corrupt management because of accountability problems; by having poor people with little work experience and with little incentive to work since they had to be cared for irrespective of their productivity. Even when inducements were offered, the wages were so low as to reduce their effectiveness and they, of course, increased the cost of the program. The inability to effectively determine who is able-bodied created a very unreliable workforce. Undoubtedly, the workhouse was more successful as a form of deterrence. Its wretched conditions were such that many poor people preferred to

starve than be subjected to its terror. However, the "workhouse test" failed on two counts: it drove into desperation many innocent poor, and it brought into the workhouse persons intended to abuse the shelter and food that it did provide.

It is not surprising that during the 18th century local communities began to abandon the policy of the workhouse and resort more frequently to Outdoor Relief. Most importantly, the workhouses did little to stem the rapid rise in the number of poor people. According to Webb the ultimate reasons that pushed for the demise of the Old Poor Laws were the major changes in the economy of England as it moved into the Industrial Revolution. The fear of civil disorder, the need for a disciplined labor force, and the need to ensure some minimum standard of living resulted in a more humane treatment of the poor as exemplified in the Speenhamland Scale.

The push for further reform was fueled by the continued rise in the number of poor and the increased cost of relief during the latter part of the 18th century (it increased by fourfold from 1784 to 1818), and the inadequate level of relief. More importantly, however, it was at the institutional level, groping with the moral ambiguity of poverty, that the impetus to reform the policy of welfare and work re-emerged (Webb 1927; Himmelfarb 1983). The Poor Law Amendment Act of 1834 specifically addressed the problem of the able-bodied poor by requiring parishes to create separate workhouses for the able-bodied, establishing the

principle of less eligibility which was to ensure that the level of relief would be lower than the minimum wage of the unskilled laborer. In implementing the Act, the Poor Law Board prohibited outdoor relief to the able-bodied poor, although allowances for exceptions were permitted.

The establishment of able-bodied test workhouses was to some extent more symbolic than real. In many communities the majority of the poor continued to be on Outdoor relief rather than in the Workhouses. To the local authorities the test workhouse presented difficult organizational problems already noted earlier. These included: a) the high cost of maintaining a separate program for the able-bodied; b) the inability to distinguish between the able-bodied and those that were slightly sick or otherwise incompetent; c) the difficulty in enforcing discipline; and d) the realization that the workhouse did not prevent the recurrence of cases (i.e., recidivism). In short, a large proportion of those who came into the workhouse could not escape extreme poverty on the outside, and when they tried they were soon forced to return to the workhouse.

The American experience with the Poorhouse parallels the English. According to Katz (1986: 25-35), by the 1850s the poorhouses degenerated as an institution. They were beset by serious managerial problems, including corruption, brutality of the poorhouse keeper in the face of a very difficult job; problems in maintaining control and discipline; the inability to

differentiate between able-bodied and non able-bodied poor; difficulties in finding useful and profitable work for the inmates; and being more expensive than outdoor relief.

At the policy level, the experience with the workhouse reflected internal contradictions emanating from the moral ambiguity of poverty. To quote Webb (1927, Vol 8: 392) "There is a fatal ambiguity about the axiom that the condition of the pauper is to be less eligible than the condition of the lowest class of independent labourers. Are the conditions of the existence in the Workhouse to be less eligible than those of a man who is in employment, or less eligible than those of a man out of work and cannot get into employment? If they are merely to be less eligible than the condition of a man who is in full work at sufficient wages, they will do very little to check able-bodied pauperism." Moreover, Webb argued that even as a deterrence the workhouse failed because "What an Able-bodied Test Workhouse does is to keep these wastrels and 'cadgers' off the rates- at the cost of leaving them to roam about at large and indulge in their expensive and demoralising parasitism, a danger to property and the public, and a perpetual trouble to the police" (Webb 1927, Vol. 8: 393). Katz (1986: 33) echoes this dilemma by noting that "the spread of fear and the kindly treatment of decent poverty could not coexist." In both countries, ultimately, the workhouse system could not handle the rise in unemployment, the increase in poverty, and the

administrative pressure for a simpler organizational response through outdoor relief.

b. Work-for-Relief

A persistent alternative to the workhouse has been the requirement that the able-bodied poor work for their relief. Of course, even under the English Old Poor Laws "setting the poor to work" was a major policy objective. Able-bodied poor were farmed out to various employers, resulting in a form of servitude and uncrupulous exploitation of the poor at very low wages. As a result, parishes had to augment the low wages with outdoor relief which, in effect, was a form of subsidy to the employer. Moreover, the poor set to work often displaced regular workers. The poor themselves did not necessarily have the skills or the motivation for work, thus exacerbating the problem of "profitable employment" of the poor.

With the reform of 1834, work-for-relief in England became a form of public works called the Labour Yard and was emulated in the United States. In contrast to the workhouse, work-for-relief programs could more readily adapt to changes in unemployment and were indeed particularly popular during periods of high unemployment. Nonetheless, work-for-relief programs did not escape political and economic dilemmas resulting from an ambivalent and contradictory policy. Oscillating between the two

ideological polars, there were considerable variations among communities in enforcing the work rules. Depending on the local political and economic climate, some communities opted toward a more symbolic enforcement of work, while others made the work rules very harsh and a test of deservingness. Nonetheless, there were several generic organizational problems in work-for-relief programs. First, finding appropriate work was a constant problem in order to avoid competition with the private market. Typically, for men the work was stone-breaking and for women doing domestic work. Second, providing sufficient work to all the poor, particularly during periods of high unemployment, was difficult and the system tended to break down. Third, to stretch limited resources, payments were very meager and the number of hours of work were curtailed thus keeping the poor in dire straits. Fourth, there were frequent problems with work discipline and no amount of supervision could ensure continuous and productive work.

The major social experiment with work-for-relief came, of course, during the Great Depression through WPA (Works Progress Administration). What is remarkable about WPA is that despite undeniable and overwhelming evidence of the economic causes of unemployment and poverty, the institutional norms of preserving the work ethic and the denunciation of dependency on the state remained intact. It is only within this context that one can understand the policy underlying WPA. As Bremer (1975: 638) puts it, "The New Dealers' desire to preserve the morale of

the unemployed eventually collided with their assumption that they must maintain the capitalistic system on which work relief depended for many of its distinguishing features." WPA was enacted in 1935 when over 8 million Americans were unemployed, roughly a quarter of the labor force. Like its distant precedents in the 19th century it embodied many of the same accommodations to the moral ambiguity of poverty. The program required a means test of deservingness for public assistance, and only one member of the family, ordinarily the principal breadwinner, was eligible. Consequently, the program discriminated against women who only made up between 12 to 19 percent of the workers in WPA (Katz 1986: 231). The scope of the program was circumscribed and it is estimated that it reached only 30 percent of the unemployed between 1935 and 1940 (Patterson 1981: 64), and that the wages it paid provided only a fraction of what a family needed to support itself. The program was locally administered and thus subject to local cultural, economic and political conditions.

The organizational problems of WPA reflected, to a significant extent, the same political and economic factors that have affected previous work-for-relief programs. The program had precarious legitimacy, particularly from the business community, which feared that it would reduce the supply of labor and increase wages. Funding was never secure and the rolls "fluctuated with pressures on the administration and with congressional appropriations" (Katz 1986: 233). As a result, both state and local governments and the clients themselves faced

continued uncertainty about how projects would be initiated, continued or terminated. Being a locally administered program, WPA was subject to considerable political pressures, as local politicians attempted to use the program to benefit their constituencies. Selection of public work projects also proved to be difficult. The projects were supposed to be useful, labor intensive, efficient and productive. In reality, however, they were designed to provide as many jobs as possible, mostly to unskilled workers. The program thus suffered from a conflict between trying to provide relief to the largest number of clients versus producing high quality and efficient projects. Other factors such as manpower availability, local interests and the availability of funds also affected these decisions (Charles 1963: 141-142).

The internal management of the program proved difficult because of the ambiguity of the policy. Determination of eligibility presented a major problem, particularly in distinguishing between the "employable" and "unemployable". The eligibility rules of WPA thus became discriminatory. Setting wages became a major issue needing to balance between available funding, prevailing wages, the relative influence of the labor unions and the local employers, and the income needs of the clients. Invariable, the needs of the client tended to be compromised. By imposing maximums on monthly earnings, the clients could not earn as much as their counterparts in the private sector. The nature of the projects themselves raised

serious questions about their ability to prepare the clients for re-entry into the labor market, particularly since assignments to work projects resulted in occupational dislocations (Bremer 1975). Being a form of relief, there were concerns that the unemployed would become dependent on public works, that these projects would not provide them with the skills needed in the private sector, and particularly that the projects did not provide incentives to work hard or the necessary work discipline (Bakke 1940, Meriam 1946). In short, WPA got entangled in its own moral ambiguity resulting, in the end, in loss of support not only from conservatives and the business community but also from many who supported government efforts to combat poverty and unemployment and to promote economic security (Katz 1986: 233).

The work-for-relief experience also produced an interesting counter example to WPA, and other programs to follow, which eloquently demonstrates what could be achieved when the moral ambiguity is removed and yet why such a program cannot survive when violating institutional norms about poverty. This example is the Civil Works Administration which was formally launched on November 9, 1933 and ended on February 15, 1934. In that short period of time, the program provided jobs to 4 million unemployed persons. CWA was strikingly different from a work-for-relief program in several respects. First, there were no means test. Two million relief workers were transferred, and 2 million workers were selected on the basis of their skill, training and experience. Second, the projects selected provided the workers

with real jobs paying living wages. Moreover, the workers were entitled to the same medical and compensation benefits as federal employees (Schwartz 1984). Third, control over the administration of CWA was firmly in the hands of the federal government. The engineers and accountants, rather than the social workers, were given control over the program. Their chief concern was to manage the public employment program effectively and efficiently. The impact on the unemployed hired into CWA was dramatic. "In one stroke, 'clients' became wage earners who would receive cash for their labor to spend as they saw fit" (Schwartz 1984: 42). The program provided incentives to work and created pride in one's work.

In retrospect it is quite understandable why the program was so short lived despite its undeniable and overwhelming success, and popularity among the unemployed. It ran counter to the dominant institutional norms or the "American way." Roosevelt himself was afraid that the program would create permanent dependence on the state, and that the program would be too costly. But even the social workers did not support continuation of the program because it undermined their conception of deservingness which was based on careful assessment of the person's needs and problems. They were joined, for different reasons, by the business community which saw in CWA unfair competition, driving up the wages of labor. In the South, the wage issue took a racial overtone since many black farm laborers earned higher wages than the farm owners ever paid them. While

small businessmen feared the competition, corporate leaders feared the economic consequences of such an expensive program (Schwartz 1984). It was this combination of forces that brought CWA to a quick and abrupt end.

The Contemporary Approach: The Carrot and the Stick

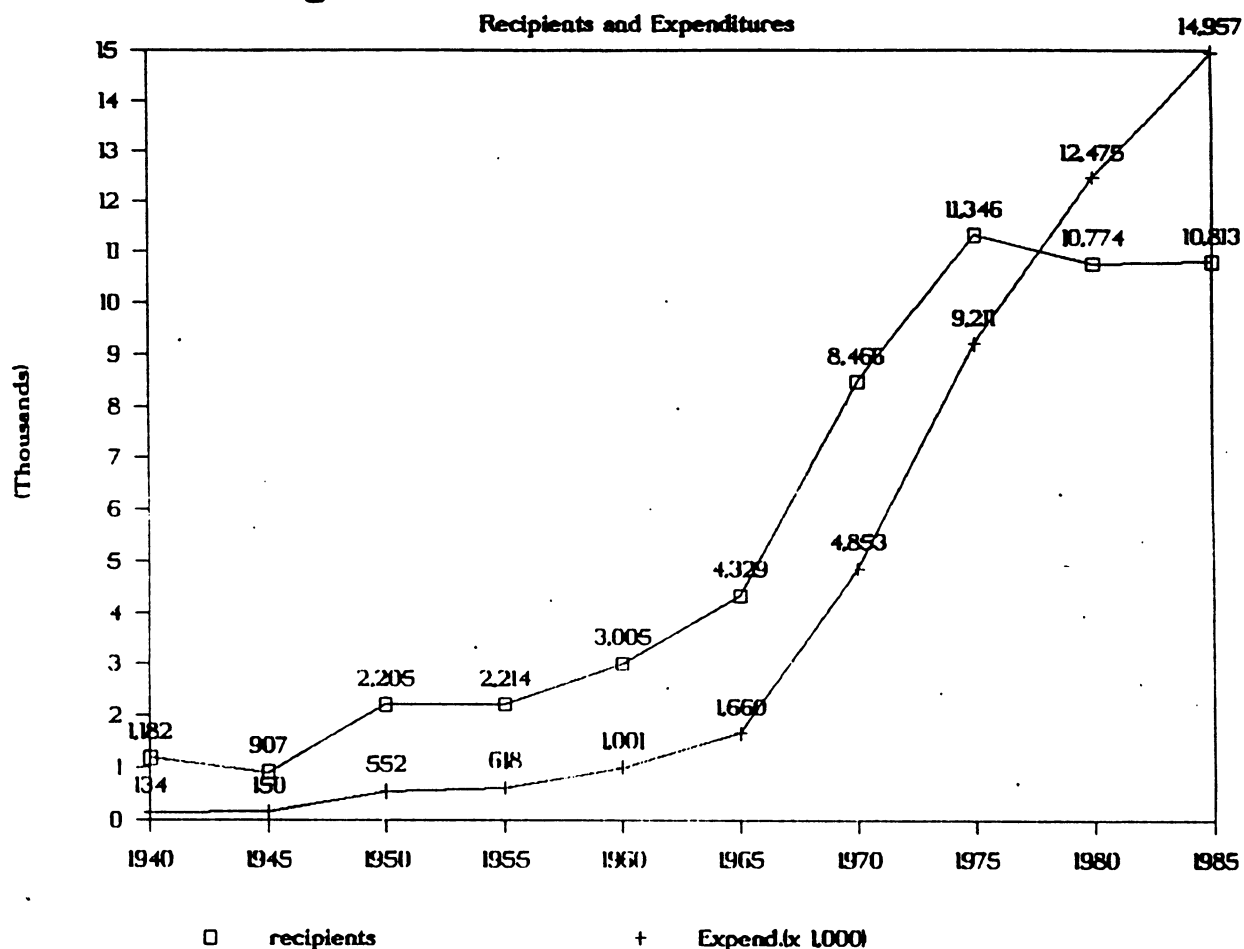
Trying to set the poor to work has always been made possible by drastically reducing the amount of relief to a level barely tolerated by institutional norms. When Brooklyn terminated outdoor relief in the middle of the winter of 1897 many families broke up, sending their children to the asylums for care. Without the children husband and wives could separate and look for work, and indeed the number of tramps increased considerably by the addition of young persons seeking work (Katz 1986: 50-51). The Mothers' Pension laws, first enacted by Illinois and Missouri in 1911, not only permitted judges to require the widows to work, but provided such low levels of relief as to force many of the widows to work. As noted by Bell (1965: 16) in Harrisburg, Pennsylvania, three quarters of 116 mothers studied in 1918 were employed. And 95 of their children, a third under the age of 16 years, also worked. In 1923, 52 percent of a sample of 942 mothers receiving grants in nine metropolitan areas worked. Similarly, Title IV: Aid to Dependent Children of the Social Security Act of 1935 did not constrain states from instituting work requirements, and Southern states, in particular, used both the requirements and the setting of very low grant levels to

force black women to work. In Louisiana, a policy in 1943 required "all applicants or recipients of ADC to be refused assistance so long as they were needed in the cotton fields" (Bell, 1965: 46).

Nonetheless, the contemporary approach to setting welfare recipients to work has been through a combination of inducements and sanctions. The results, quite predictably, have been mixed and the programs more often than not offered a symbolic rather than a real solution to getting the able-bodied poor to work (Rein 1982). These programs must be understood, however, against a background of the changing number and characteristics of the poor.

Focusing on AFDC, there was rapid growth in the number of recipients between the 1960's and 1970's. In 1940 there were slightly over one million AFDC recipients. In 1950 there were 2 million, and in 1960 3 million recipients. But in 1970 the number jumped to 9 million and continued to increase to 11 million in 1975. It has since leveled off and remained approximately 11 million in 1980 and in 1985. From 1950 to 1965 the rate of growth was approximately 6 percent per year. From 1965 to 1970 the rate of growth jumped to 18 percent. The expenditures also rose dramatically from \$5.5 million in 1950 to \$4.8 billion in 1970, and reaching a peak of \$11.3 billion in 1975 (see Fig. 1). The characteristics of AFDC recipients also changed radically. No

Fig. 1. Historical Trends in AFDC



Source: Social Security Bulletin, Annual Statistical Supplement, annual.

longer were they mostly white widows. Rather, the recipients were mostly divorced or never married, and an increasing proportion of them were non-white. Garfinkel and McLanahan(1986) showed that the rise in mothers only families was due to changing marital patterns. For whites, much of the growth was due to an increase in formerly married mothers. For blacks, since the 1960's, it was due primarily to an increase in the number of never married mothers. They further concluded that for whites the major cause

for the increase in the divorce rate was the increase in women's labor force participation; for blacks the major factor was the decline in the employment opportunities among males (Garfinkel and McLanahan 1986: 45).

Acknowledging the growth of single parent households, there is still considerable debate about the reasons for the increase in the number of AFDC recipients and expenditures. Piven and Cloward (1971) attributed it to the civil rights movement and the urban insurgencies in the 1960s. Others attributed it to such factors as the rapid economic growth in that period, the rise to power of a political coalition advocating an ideology of equality, and the expansion of legal rights to welfare recipients (Patterson 1981). What is not disputed is the fact that there has been a significant expansion in the entitlement for welfare as a matter of right and in the generosity of the assistance.

The rapid growth in number and expenditure of AFDC inevitably raised the attention of setting the AFDC recipients, most of whom are women, to work. Undoubtedly, the increased participation of women in the labor force has contributed to such renewed interest. From 1950 to 1980 the labor force participation of married women, spouse present, with children under six increased from approximately 10 percent to 45 percent, and for those with children over six from under 30 percent to over 60 percent (Garfinkel and McLanahan 1986: 65). Hence, the social

expectations for women with young children to work outside their home have changed significantly.

But as we have indicated earlier, a significant number of AFDC recipients have always been forced to work to supplement their relief. Earlier studies indicated that roughly 30 percent of AFDC recipients had some work experience during their welfare spell (Rein, 1974). More recent studies based on the Longitudinal Panel Study of Income Dynamics (PSID) show that short term (2-3 years) welfare recipients received approximately 30 percent of their income from earnings. Among long term (4-7 years) recipients who were not continuous users, the rate was 23.5 percent, but for the long term continuous users it declined to 6 percent (Rein and Rainwater 1978).

Thus, current social policies for setting welfare recipients to work are fueled by the same ideological, economic and political forces that have historically driven public assistance. These include the moral imperative of affirming the work ethic among both poor men and women; the need to control and possibly reduce the welfare rolls after a period of rapid expansion; and the need to regulate and discipline the unskilled labor force, especially in the expanding services industry where the majority of the employees (61 percent) are women. Law (1983), however, proposes an additional force arising from the changing status of women. She argues that during the 1960's women have earned some important legal rights including entitlement to

welfare, legal control of their reproductive capacity and legal access to male dominated occupations. These have challenged male dominance and traditional conceptions about family structure. Welfare policy, in general, and the work requirement policies, in particular, are aimed, in effect, to "enforce the patriarchal requirement of female dependence upon men" (Law 1983: 1249). Since the work requirements move a very small proportion of the women on AFDC into the labor market, their function is more symbolic by casting a moral shadow over single mothers with young children. Those who do enter the labor market are typically in traditional female jobs. Much of Law's argument rests on the analysis of the WIN program to be discussed below, which indeed gives preference in job placement to male recipients, and exempts their wives from the work requirement. Yet, the majority of WIN registrants and job entrants are women (U.S. Department of Labor 1980). Furthermore, males on welfare do not fare any better. Only about half the states permit unemployed fathers to receive AFDC, and when they do they are more likely to be forced into the labor market and into low wage jobs which do not improve their financial situation. The Unemployed-Parent provision of AFDC forces male heads off the rolls once they work more than 100 hours per month regardless of their level of earnings. Law, however, is correct in pointing to the moral and symbolic meaning of the work requirements for women on welfare. They do, as the poor laws have always done, stigmatize and discriminate against the poor, male and female, thus reaffirming dominant cultural norms, including those which discriminate against women.

It is against such a background that current workfare policies and programs have been formulated. They are distinguished by their combination of inducements and sanctions which reflect the tension between the expansion of the entitlement to welfare and the fear of its negative impact on the normative order. The tension, rooted in the moral ambiguity of poverty, is expressed in the prevalence of two competing norms about able-bodied poor. The first views the primary problem of able-bodied poor as deficiencies in human capital (i.e. lack of education, training and skills) but also acknowledges unfavorable labor market conditions as a secondary factor. Thus, to assist the poor gain employment investments should be made in training and skill acquisition, including the creation of employment opportunities. The second view attributes their unemployment to lack of motivation, self-discipline or knowledge of how to seek employment. As Mead (1986: 73) puts it "This 'pathological instability' in holding jobs, rather than lack of jobs, is the main reason for the work difficulties of the disadvantaged." Accordingly, the poor should be "weaned" from welfare which reduces motivation and be encouraged, and even obligated, to seek employment. It should be emphasized that both norms, nonetheless, arise and derive their legitimacy from the same dominant institutional rule that views poverty as a personal rather than social deficit. It is this dialectic between the two contesting ideologies that has created the carrot and the stick strategy in the form of WIN (Work Incentive Program).

a. Work Experience and Training

There were, however, several precursors to WIN. In 1961 Congress approved extension of AFDC to two-parent families authorizing federal matching grants to families in which the fathers were either out of work or employed for less than 100 hours per month. This liberalization was thought to prevent family desertion by unemployed fathers. Although the program was not mandatory (it was subsequently adopted by only half the states), fear of rising AFDC-UP cases and of condoning relief to able-bodied fathers brought about an amendment to the Social Security Act in 1962 which permitted expenditures for AFDC-UP to be made up in the form of payments for work. As noted by Levitan and Mangum (1969: 236-237) "the purpose of the amendment was twofold: to allay public criticism of relief payments to persons able to work, and to create work relief projects to help train and 'rehabilitate' relief recipients." The Community Work and Training programs (CWT), however, were mostly symbolic. Funds allocated to the program were very meager and their use was quite restricted. Ninety percent of the funds were used for work payments, leaving little for "rehabilitation." States were required to provide a 50 percent match (as compared to 25 percent match for social services to AFDC recipients) resulting in a very small number of states who opted for such programs.

CWT was folded into Title V of the Economic Opportunity Act of 1964 -- the Work Experience and Training Program⁶. Similar to other work relief programs, it had contradictory goals; providing employment and training opportunities to the poor, setting the poor to work, and augmenting the income of poor people who could not qualify for AFDC. The political economy of the program was such that it rapidly deteriorated into work relief. The program was administered by local welfare departments having little experience in the management of manpower programs. Congress authorized \$100 million for an estimated 2.1 million unemployed and underemployed poor persons. It was clear that the need (even if inflated) far outstripped the available resources. Being locally administered, there were considerable variations in program characteristics. Generally, however, the local pressure on welfare departments to aid the poor resulted in work relief projects in the public sector. Thus most of the costs per enrollee went for relief. In fact, there were some hints that states with AFDC-UP programs might have used the funds to shift the public assistance costs to the federal government. The jobs, as expected, were for unskilled labor and little meaningful training or educational opportunities were provided. Attrition rates were high with 75 percent leaving without completing their assignments, and with half of the trainees who left the program continuing on public assistance. Thus, the program seemed to contribute little to economic self sufficiency. At best one could view the program as an income supplement via public work, but in

6. The assessment of the program is based on Levitan and Mangum (1969: 235-274)

such a case it was clearly inefficient and costly. As a program to set the poor to work its achievements were dismal. One has to conclude that the attachment of "work experience and training" to such form of relief was mostly ceremonial, designed primarily to reinforce institutional rules on work and welfare.

b. Work Incentives and disincentives

The dialectic between inducements and sanctions has also been played out regarding the issue of work incentives. One of the major issues in inducing AFDC recipients to work has been the potential decrease in assistance for every dollar of earned income. If every dollar of earned income reduces assistance by that amount, the recipient is, in effect, being levied a 100 percent tax. Recognizing this, the 1967 amendments to the Social Security Act expanded previous policies of excluding work expenses and child care from earned income by stipulating that the first \$30 per month of earning plus one third of the remainder will be exempted. It is important to emphasize that the income disregard was computed on earnings before subtracting work related expenses and child care costs. Thus, it was estimated that the average tax rate dropped to 34.4 percent (Moffitt and Wolf 1987). Reviewing studies on the impact of these incentives, Rein (1982: 53-59) concluded that they had no discernable impact on the work efforts of AFDC recipients. There may be several reasons for these results including the lack of knowledge by many recipients of such incentives, the increased generosity of the

assistance grants, the potential loss of other benefits such as medicaid and food stamps when employed, and labor market conditions.

The incentive policy was, however, repealed in the 1981 Omnibus Budget Reconciliation Act (OBRA), as the political pendulum swung to reinforce the view of welfare as eroding the work ethic and fostering dependency. The notion that AFDC recipients could receive welfare and work is an anathema to such a view which seeks to sharply distinguish between able-bodied and non able-bodied poor coupled with the aim of reducing the welfare rolls. The Act set a lower income ceiling above which eligibility was lost and eliminated the "thirty-and-one third" deduction after four months of earning (changed to 12 months in 1984). Moffitt and Wolf (1987) estimated that while 5 percent of the total AFDC caseload lost eligibility, 35 percent of those who worked lost eligibility, and the tax on earnings for those working over four months was effectively raised to 78 percent. A study by the U.S. General Accounting Office (1985) in five localities also found a substantial loss in income among those terminated and those whose AFDC grants were reduced. Yet, the rate of return of closed cases to AFDC after 1 year ranged from 7 percent to 18 percent, well below pre-OBRA in three out of the five sites. Those terminated from the rolls coped with the loss of AFDC through increased earnings but not by changing jobs or increasing hours of work, but rather by receiving a higher hourly wage. The reasons are unclear and may range from poor recall by

the respondents to employers compensating for the loss of AFDC. This pattern, however, occurred only in high benefit sites, where the job picture was brighter. For those on AFDC and working, the reduction in the work incentives did not seem to reduce their work effort. In a follow up study of AFDC recipients in Michigan who lost eligibility Sarri (forthcoming) found that 44 percent re-applied for benefits, and a month after termination 24 percent became eligible for AFDC, 32 percent for Medicaid only, and 43 percent for Food Stamps only. According to Sarri (forthcoming: 12) "less than 10 percent of the respondents understood the details of the policy decision, knew how much income they would have, or how much property they could have before they would be terminated." Both studies point out that most of those who lost their assistance simply managed somehow to live with a substantially reduced income, and yet have not changed their work behavior in either direction. Local conditions related to the generosity of the assistance, the behavior of local officials, and the labor market characteristics seem to mediate the impact of the harsher regulations. From a policy perspective, the changes affected a very small number of recipients and reduced AFDC expenditures by approximately 9 percent.

Hence, one must conclude that the value of a work incentive policy may be seen mostly in its symbolic affirmation of one of the two polar views of the able-bodied poor. The poor themselves, caught in their struggle for daily survival, are much less likely to understand or appreciate the intent of such policies, and they

simply cope in the best way they can with administrative decisions imposed on them, and without significantly altering their normal behavior. This should not come as a surprise.

Goodwin (1972) has shown convincingly that welfare recipients are as strongly identified with the work ethic as non-recipients, yet have less self confidence in finding a job because of failure in the world of work and, thus, find welfare more acceptable. Hence, those who do work will continue to do so. Moreover, given the fact that AFDC benefits never even meet the poverty threshold, changes in incentives on such a meager income are less likely to affect behavior.

c. The Work Incentive Program (WIN)

WIN has been the mainstay program in setting AFDC recipients to work since it was launched in 1967. All the available evidence indicates that the program has had dismal results. Analysis of the policies guiding the program, its implementation and accomplishments demonstrate once again the core difficulties of all workfare program emanating from the problematic linkages between institutional norms, policies and programs. Specifically, I will show that: a) the translation of ambiguous institutional rules into policies generated myths and ceremonies, periodic revisions, reduced fiscal commitments, and organizational discretion at the local level; and b) the political economy of local WIN agencies generated organizational dilemmas that substantially hampered organizational performance.

From its inception and throughout its convoluted history, the rhetorics justifying WIN bore little relationship to its actual impact. Representative Mills in introducing the legislation said: "We want the states to see to it that those who are drawing as unemployed fathers, or drawing as mothers, unless there is good cause for them not to be required to take it, that they take training and then work... What in the world is wrong with requiring these people to submit themselves, if they are to draw public funds, to a test of their ability to learn a job?" (U.S. Congress 1967: 23053). The stick was applied to fathers on AFDC-UP and children over the age of 16 who were neither in school or work. They were mandated to register for WIN and could be dropped from AFDC if they declined to participate without good cause. The decision of "good cause" was left to the discretion of the welfare officials. The carrot was in the form of the work incentives discussed earlier, promise of training and employment services, increased funding for day care, and encouragement of mothers with school age children to volunteer for WIN and receive training and other support services. In the first annual report to Congress WIN was described as combining "social services, child care services, and manpower training services for potentially employable persons to equip them to get and hold a job, using a combination of on-the-job training, institutional training, work experience and counseling" (U.S. Department of Labor 1970: 2).

Through fiscal year 1971, 2.7 million assessments were made of which only 24 percent were deemed "appropriate for referral." From this pool only 118,000 were actually enrolled. Of those terminated only 20 percent held a job for at least 3 months, and the median wage for employed WIN women was approximately \$2.00 per hour. Thus, the WIN program was successful in obtaining jobs for only 2-3 percent of the eligible AFDC recipients (Rein 1982; Goodwin 1978). In a follow up study of WIN participants, Schiller (1978) found a modest gain in earnings but very little in welfare grant savings. The most effective component of the program was subsidized employment, either private on-the-job training or public service employment. Although less than 1 percent of the WIN participants were in OJT, 6.3 percent of the successful job entrants came from OJT (Gordon, 1978). The budget for the program was \$150 million in 1970. During that time period there were over 9 million AFDC recipients and the total expenditures were over \$4 billion.

Rein (1982) attributes the failure of the program to its incompatible values of obligating recipients to register for work thus reducing the welfare rolls, and helping them overcome barriers to gainful employment through training and other services. While a significant factor, it is necessary to view the policy in the context of having meager resources and limited scope, granting wide discretion to local welfare offices in referring "appropriate" clients, and the bureaucratic unwillingness to enforce sanctions for non-compliance. This

suggests that evaluating the program solely by its effects on the recipients and welfare rolls is to ignore its institutional purpose. The program served mostly a symbolic function, a form of myth and ceremony affirming cherished values that have been questioned by the reality of rising welfare rolls and expenditures. By upholding the institutional rule of work, WIN defused the normative threat of the rapid expansion of welfare. The main purpose of the program was to engage in the ceremony of requiring the able-bodied recipients to register for training and employment in accordance with the institutional rule it was designed to uphold. The key structural feature of WIN was thus the certification of the able-bodied recipients, and this structure was decoupled and buffered from the technology of the program (i.e. the provision of employment services). The technology itself and its outputs were of secondary importance to the survival of the program.

Being mostly a symbolic function, the program had to be periodically reaffirmed, particularly as the welfare rolls continued to rise, and when no political agreement on welfare reform could be attained. During that period of time (1967-1971) the "welfare mess" generated a heated moral debate on the appropriate balance between financial support and setting the poor to work. The inability to reach a consensus defeated serious reform initiatives (Mead 1986), but left the need to reconfirm the principle of the work ethic, including the distinction between the able-bodied and the non able-bodied

welfare recipients. This received expression in the amendment introduced by Talmadge who was concerned with the soaring numbers and costs of welfare and its effects on eroding the incentive to work (U.S. Congress 1971: 3970, 4379-80). WIN II, as it became known, expanded the definition of able-bodied poor to include mothers with children 6 years of age or older, required their mandatory registration in the program, changed the focus of the program from educational and institutional training to employment services and subsidized employment, and provided tax incentives to prospective employers. Further policy oscillations between emphasis on direct job placement vs. training occurred in 1975, when a balance between the two was attempted, and in 1980, when job placement was re-emphasized and sanctions against AFDC refusing participation were strengthened.

WIN II, nonetheless, has had marginal impact on either the employability of AFDC recipients or the reduction of the welfare rolls. Although the budget grew to over \$300 million in 1974 and stayed so till 1981 when it began to decline, it was wholly inadequate to handle the number of new registrants as required by WIN II which jumped to over 1 million recipients. At its peak the average funding per registrant was \$250 (Nightingale and Burbridge 1987). Although the job placement record improved by 30 percent, it still represented a very small fraction of those enrolled. Furthermore, the achievements of the program, as will be noted below, were affected by a process called "creaming", i.e. selecting the most employable recipients for participation

in program components. A persistent characteristic of the program, from a policy perspective, was its minimal impact on AFDC recipients and expenditures. A report by the U.S. General Accounting Office (1982) noted that only 40 percent of AFDC recipients were required to register. This was essentially a "paper registration" that accompanied application for AFDC. Of those registered, only half were selected to take part in any program component. They were generally selected because of their employability potential. The rest were placed in a "hold" category for lack of resources or jobs. Of those who participated in WIN 25 percent became employed and of those employed 70 percent claimed that they found the jobs on their own. Table 1 shows the "funnelling" effect of WIN and its marginal impact on both its registrants and the AFDC population.

Table 1.
The "Funnelling Effect" of WIN in 1980

		Percent of AFDC Recipients	Percent of WIN Registrants
Total AFDC Recipients	4,100,000		
WIN Registrants	1,600,000	39	
WIN participants	769,000	19	48
Enrolled in Training	83,000	2	5
Obtained Employment	204,474	5	13
Found Job on Their Own	143,132	3	9
Found Job Through WIN	61,342	1	4

Source: GAO (1982). An Overview of the WIN Program.

Furthermore, of those who have obtained employment, 40 percent left the welfare rolls altogether, 48 percent experienced

some grant reduction and 11 percent continued to receive the full grant. Thus, under the best scenario WIN was able to remove less than 2 percent of the AFDC recipients from the rolls and reduced the grants by an additional 2 percent. Finally, of those attaining employment, 33 percent were paid less than the minimum wage.

The political economy of the local WIN programs can be best described as volatile and unstable and riddled with contradictions, resulting in administrative solutions that greatly impede their effectiveness. Like previous workfare programs local WIN offices were plagued by the triple problem of uncontrollable local labor market conditions, multiple employment barriers facing AFDC recipients, and a demand for services which far outstripped their resources. A comprehensive organizational study by Mitchell, Chadwin and Nightingale (1979) found that one-third to one-half of the variance in the performance of local WIN programs was accounted for by socio-economic factors in their external environment. More importantly, these factors have opposite effects on different organizational performance measures. The job entry wage is positively correlated with population density, unemployment rate, proportion employed in low wage industries, and proportion of WIN registrants who were male. Some of the same variables are negatively correlated with welfare grant reduction. Put differently, environmental factors often have opposite effects on different organizational performance

measures such as getting jobs to recipients and reducing the welfare rolls.

Local offices were caught in the classical dilemma of "street level bureaucracies" (Lipsky 1980) of demand outstripping resources requiring a rationing system. The rationing system was dictated by the nationally set evaluation criteria which determined the allocation of resources to the local programs. These criteria revolved around job placement and job retention. Consequently, WIN programs had an incentive to "cream" i.e. select the recipients most likely to be employable even though those who could have benefited most from the program were the long term recipients. Lacking resources and wanting to score well on these evaluation criteria also reduced the incentive to sanction non-cooperating clients. Indeed, the "paper registration" to WIN during the welfare intake was a tactic used to comply with the policy of ensuring complete certification of all "able-bodied" recipients, but had little effect on the actual delivery of services.

Politically, WIN programs had low visibility. While this may have given each local program more discretion it also signalled lack of political investment. Administratively, the local program represented a "partnership" between the welfare agency and the employment security agency resulting in a bi-organizational structure, whereby each component reported to its own agency. Thus the program had two masters each with its own

set of interests. Not surprisingly, such a structure was conducive to goal displacement. Mitchell, Chadwin and Nightingale (1979: 62-65) identified several goal displacements: a) using program funds to cover overhead costs at the host agency; b) a dumping ground for incompetent personnel; c) a means for absorbing budget cuts; d) a source for political patronage; and e) a resource to supplement other programs.

Within these economic and political constraints, the evolving service delivery system was a function of the local administrative leadership and choice of the service technology. As one would expect, the more attention given to the needs of the clients, the more effective was the program. This included providing clients with a) training in systematic job search activities, b) individualized assistance in job placement, c) supportive services beyond child care and including counseling, emergency transportation, family planning and household management. To provide these services required close coordination between the employment services and the social service agencies. In short, to develop an effective service delivery system required both economic and political incentives that were not typically found in WIN. Organizationally, then, WIN programs became only loosely coupled with the very policies that brought them into existence. As long as the programs were able to develop structures which complied with the institutional rules enunciated in the policies, they could further decouple their operations -- services to the recipients -- from these structures.

d. The Decentralization of Workfare

As noted earlier, the 1981 Omnibus Budget Reconciliation Act signalled a shift in public policy toward welfare and work. Ideologically this shift was driven by several principles (Anderson 1978): a) welfare should be granted only to the "truly needy,"; b) enforcement of a strict work-test requirement; c) shifting responsibility for welfare from the federal government to state and local government and to private institutions. Instituting a strict work requirement was expected to weed out those who were capable of taking care of themselves, and shifting the responsibility to the local governments was aimed at reducing the fiscal obligation of the federal government. The devolution of federal responsibility for workfare was intended to accomplish several objectives. First, by decentralizing the moral debate to the local level, the federal government encouraged much greater ideological pluralism regarding welfare and work, and in so doing, made it much more difficult to sustain any national coalition on behalf of the poor. Such a coalition has been viewed as a major force in promoting large expenditures for welfare (Butler 1985). Moreover, in a decentralized system the protection of the rights of the poor becomes immensely more difficult in the absence of government regulations. Second, by shifting some of the fiscal burden to the local community, the reduced tax base makes it more difficult to provide generous programs for the poor (Peterson 1984). Thus, local communities

will have a greater incentive to mandate recipients to work for their relief as a way of deterring applications and reducing costs.

In introducing the Reagan's administration proposed changes to AFDC, Richard Schweiker, the Secretary of Health and Human Services argued that "The American public is not willing to bear the burden of supporting people who can work. We believe that everyone receiving assistance who is capable of working should be involved in the work program....To this end... we would require States to establish community work experience programs... This work would be performed in return for AFDC benefits" (U.S. Congress. Committee on Ways and Means 1981: 7). This work requirement, however, was also justified by the other set of symbols, namely that it would increase the employability of recipients through actual work experience and training, encourage identification with the labor market, provide work history and develop the discipline necessary for accepting employment.

It is interesting to note that the proposed community work experience program was based on a three year demonstration project conducted in California in 1972-75, when Ronald Reagan was governor of the state. It required all unemployed AFDC recipients without child care needs to participate in the program. The evaluation of the program points to dismal results (State of California Employment Development Department 1976). Only 2.6 percent of all eligible participants were assigned,

constituting less than 0.2 percent of the AFDC caseload. Many counties were not eager to participate because of administrative difficulties; the program competed with WIN and the subsidized public employment programs, and some field offices objected to its mandatory nature. When comparing between participating and non participating counties, those which had the program actually experienced an increase in AFDC applications. There were no significant differences between the participating and non-participating counties in reduction in number of recipients who were discontinued from AFDC or reduction in the average grant paid. These negative results, however, could not suppress the ideological enthusiasm for such a program, nor could they tarnish the firm belief of its advocates that a mandated workfare requirement will serve as a significant deterrence to applying for welfare.

While Congress rejected the proposed workfare requirements, it permitted states to adopt several options. These included a) establishing a single agency to operate the WIN program (WIN Demonstration); b) requiring AFDC recipients to participate in a community work experience program as a condition of their eligibility; c) requiring recipients to participate in job search activities and d) establishing a grant diversion programs under which a portion of the AFDC grant could be used to subsidize on-the-job training (Nightingale and Burbridge, 1987). The federal government continued to provide 90 percent of WIN funding up to a fixed amount for each state. The other options received AFDC

administrative funds for which the federal share is 50 percent with the total amount unlimited.

To some extent the federal strategy has succeeded. WIN funding declined by 70 percent from 1981 to 1987 (U.S. General Accounting Office 1987) forcing many states to replace lost federal funding with state funding and to develop the new program options. The attraction of these options was, on the one hand, the lack of a cap on the AFDC administrative funds but they required, on the other hand, greater commitment of state matching funds. States did take advantage of the new options available to them. Twenty six states opted for the WIN demo, 27 states had CWEP program, 17 states had some type of AFDC grant diversion program and 22 states had job search programs (Nightingale and Burbridge 1987:49). For the fiscal year 1985, the budget outlay for WIN was \$278.8 million of which \$162.4 was used for WIN Demonstration and CWEP. As noted in Table 2 AFDC administrative funds and other special federal funds added approximately \$33.0 million to the new initiatives, and the states themselves contributed \$67.2 million, or approximately 25 percent of all funds. If one adds the remaining regular WIN funds (approximately \$116.0 million), the total would approximate the level of funding of WIN in 1981. That is, the combination of increased state funding and use of AFDC administrative funds has resorted most of the WIN budgetary cuts to their 1981 level.

Table 2. . 1985 AFDC Work Program Funding by Source

Dollar amounts in thousands

Funding source	WIN Demonstration		CWEP		Job search		Work supp./ grant div.		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Federal:										
Regular federal	\$23,930	9	\$2,500	46	\$3,754	46	\$791	39	\$30,975	11
Special Federal Project	858	.3	114	2	522	6	748	37	2,242	.8
WIN	162,254	63	129	2	0	0	0	0	162,383	60
Subtotal	187,042	73	2,743	50	4,276	52	1,539	76	195,600	72
State	60,739	24	2,199	40	3,885	48	355	18	67,178	25
Local	394	2	355	7	0	0	5	2	754	.3
Other	7,518	3	166	3	0	0	126	6	7,810	3
Not identifiable	500	.2	0	0	0	0	0	0	500	.2
Total	\$256,193		\$5,463		\$8,161		\$2,025		\$271,842	
Percent of all Funds*		94		2		3		1		100

Note: Five of 61 programs could not report amounts for regular federal funds, special federal project funds, or sources that were not identifiable. Four could not report state or other funds, and three could not report WIN or local funds.

*Percentage totals may not equal 100 due to rounding.

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By shifting the responsibility to the states, the federal government succeeded in making AFDC work programs a local political issue. As noted by Nightingale and Burbridge (1987: 28) "the aggressive emphasis that has been placed on state flexibility... has contributed to substantial new activity and momentum in the area of welfare employment at the state level and has provided new political visibility and priority on work programs that had not existed before." States had to scramble to cope with the reduction in federal funding while trying to take advantage of the new options. More importantly, the devolution of federal responsibility shifted the moral debate to the states since it has created both a fiscal constraint (i.e., reduced funding) and a programmatic opportunity (i.e., increased autonomy). In doing so it attracted and mobilized interest groups

which hitherto were dormant. As anticipated by the federal government, a significant number of states did implement CWEP programs requiring AFDC recipients to work for their assistance. Clearly, economic and political considerations at the state level influenced the emphases and choices. There is evidence to indicate that states experiencing economic growth and low unemployment (mostly northeastern states) tended to develop more extensive programs emphasizing job placement, training, and supportive services while de-emphasizing work-for-relief. Several such state initiatives received national attention for their programmatic innovation such as the Employment and Training Choices in Massachusetts and Greater Avenues for Independence in California. In contrast, some economically depressed and rural states tended to emphasize the work-for-relief option (Nightingale and Burbridge 1987). Yet, despite the considerable increase in state initiatives, funding and program reorganizations, the cumulative results point, with few exceptions, to marginal changes and accomplishments. Not dissimilar to previous workfare initiatives, the gap between intentions and reality remains wide, and once again, the role of symbols and ceremonies dominate.

The scope and impact of the current AFDC work programs belies any major changes from WIN. According to the study by the U.S General Accounting Office (1987) approximately 22 percent (714,448) of all AFDC recipients participate in these programs, nation wide, with great variations by states ranging from 2.8 to

62 percent. Eighty nine percent of the participants were enrolled in WIN demo, 4 percent in CWEP, 7 percent in Job Search and less than 1 percent in Grant Diversion. Participation, however, does not mean receiving services. Rough estimates would suggest that 70 percent of the participants received some services. Of those receiving services in WIN demo, 72 percent participated in either individual or group job search counseling. Only 12.5 percent received some form of training, and 11.7 percent direct placement assistance. The emphasis on job search is probably due to the its lower costs. Indeed, the median expenditures per participant in WIN demo was \$309. In contrast, on-the-job training costs over \$2700 per participant. Determining the impact of these programs is very difficult for lack of any systematic data. Based on several experiments conducted by Manpower Demonstration Research Corporation, discussed in the next section, it seems that such programs increase the employability of the participants by 5 percent to 7 percent over the control groups. The U.S. General Accounting Office survey indicates that most of the jobs were in entry level low wage occupations with a median wage of \$4.14, and that over 48 percent of the participants who obtained jobs remained on welfare (U.S. General Accounting Office 1987: 104-105).

Overall, then, these findings do not vary appreciably from the record of WIN, although a few individual states might have achieved better results. This is not surprising in light of the fact that at the policy level the changes, although rhetorically

significant, were actually accompanied by a severe reduction in fiscal resources. As noted above, the initiatives by the states were driven primarily at restoring the budget cuts in WIN. It is unclear to what extent the states will be able to continue to do so in the face of continued decline in federal allocations, and the uncertain economic picture in many states. Most states have not been able to maintain pre-1981 staffing levels for workfare programs. It is still apparent that the states rely heavily on federal funds, and especially WIN. Furthermore, 94 percent of all funding is allocated to WIN demo which in itself does not represent a significant programmatic innovation. At the local level, only in isolated instances did the political economy of AFDC work programs changed in any significant way to make a difference. Only six states maintained or improved the allocation of resources to the program⁷ (Nightingale and Burbridge 1987). In most communities the demand for services continues to dramatically outstrip the supply of resources. Local economic conditions, especially labor market characteristics, continue to have a major impact on the nature and outcome of the program. To quote the U.S. General Accounting Office study (1987: 111) "Strong economies such as those in Massachusetts and San Diego offer very different opportunities to work program participants than do those of Pontiac, Michigan, where the decline of the auto industry has forced men and women who had well paying jobs onto welfare, and Beaufort County, South Carolina, where seasonal

7. Delaware, Maine, Massachusetts, New York, Virginia and California.

resort jobs that are geographically inaccessible to many welfare recipients are among the few sources of employment."

Administratively, states are experimenting with different organizational structures to improve the coordination of services between the welfare agency and the employment services, especially the agencies administering the Job Training Partnership (JTPA). In addition, greater attention is being paid to participants' needs for other services such as child care and transportation assistance. However, these organizational arrangements do not necessarily offer a solution to the unavailability of services. JTPA, for example, serves only about 10 percent of all welfare recipients over the age of 13, and most of the work programs depend on external funding sources such as Title XX to pay for child care⁸. Finally, the service technologies of most of these work programs have not changed; job search has remained the most prevalent mode of activity.

Can Social Experiments Solve the Moral Ambiguity?

In the context of a rational nation-state embracing scientific positivism, there have been periodic attempts to resolve the moral ambiguity of poverty through social science. The opposing ideological doctrines are transformed into scientific inquiries and empirical research paradigms are applied to provide an answer, and thus presumably a guide to social

8. The ET program in Massachusetts is the exception, spending 32 percent of its budget on child care through a voucher system.

policy. From this perspective, poverty is viewed as an objective social problem rather than an ideological and political issue. As Rule (1978: 18) puts it "This view would imply that the explanation for the existence of such [disagreeable] conditions lies not in the workings of particular political forces but through some irrational 'dysfunction' in the political system. Such an interpretation obviously suggests resolution through technical expertise rather than political action." The difficulty with such an approach is not only in the resultant social scientific findings which are seldom unequivocal, but also in their interpretation and in providing guidance to policy within the moral context of the policy decision making process.

a. Negative Income Tax Experiments

Social science research has been marshalled to explore the trade-off between welfare and work. It was hoped that the moral ambivalence of providing the poor with assistance while preserving the work ethic can be resolved by examining scientifically the consequences of different levels of benefits and tax rates on the incentive to work thus providing a technical answer about the optimal mix between the two. Social scientists have expected that increased benefits will result in some reduction in work effort, but the magnitude of the reduction remained unknown. Yet, any welfare reform hinged on this issue. Advocates of a negative income tax (NIT) as strategy to combat poverty recognized that a key political stumbling block would be

the fear of a large increase in idleness among the poor, especially males. This was an impetus for the negative income tax experiments which was expected to provide an answer to this issue (Levine, 1975). Several experiments were conducted in the 1960's and 1970's, the most known among them were the New Jersey Experiment and the Denver-Seattle Experiment. The New Jersey Experiment was directed at families with an able-bodied male and income not exceeding 150 percent of the official poverty line. A total of 1374 families were enrolled, 724 as experimentals and 650 as controls. The experimental families were allocated to one of eight schemes combining four levels of benefits (at 50 percent, 75 percent, 100 percent and 125 percent of the poverty line) and three tax rates (30 percent, 50 percent and 70 percent). Although the original investigators did not find any appreciable reduction in earnings between the experimental and control groups, subsequent re-analysis of the data found a reduction among white males of 2.6 hours per week (approximately a 7 percent reduction). Black males, on the other hand, increased their hours of work by 2.7 hours per week, while Spanish-speaking families showed no appreciable differences. However, the data for the non-whites were considered unreliable due to a high attrition rate (Hall, 1975).

The Denver-Seattle experiment enrolled 4800 families of whom 39 percent were black, 43 percent white and 18 percent chicano. The sample also included families headed by a single adult. The experimental design attempted to test several conditions. First

it included guaranteed benefits for three, five and twenty years in order to determine long term consequences. Second, it included three benefit levels starting with \$3800 for a family of four (approximating the poverty level) and moving to \$4800 and \$5600. Third, it consisted of four different tax rates including a constant and a declining rate. Finally, it had three alternative manpower treatments consisting of different mixes of counseling and training subsidies to see if they could counteract the work disincentives. In estimating the reduction in work effort (i.e. annual hours of work), Robins (1980) found that for those with income below the breakeven point and not on a declining tax rate, on the average, husbands reduced their work hours by 5 percent, wives by 22 percent and single female heads by 11 percent. In terms of employability the probability of working for husbands declined by 5 percent, for wives by 8 percent and female heads by 11 percent. Robins and West (1980) also estimated the long term effects of the experiment (i.e. five years). The percent reduction of hours of work for husbands was 9 percent, for wives 20 percent and for female heads 25 percent. Clearly, the women were far more likely to opt out of the labor force when having a secure income. Moreover, the long term effect on non-white males was twice as high than for white males. Moffitt (1982) pointed out that for the males much of the reduction in work effort was due to a small number of men who opted to leave their jobs altogether rather than reduce their hours of work. Possibly this may be due to the difficulty in changing marginal hours of work.

Moffitt (1982) also attempted to simulate the impact of NIT on work effort under the condition that an individual would be required to work a certain number of hours per week (35) at a job in order to obtain benefits. He found that in a plan with a tax rate of .50 and a guaranteed income equal to 65 percent of the poverty line 1 percent of the husbands would participate and would increase their hours of work in the subsidized job by 9 percent. At a tax rate of .50 and a guaranteed income equal to the poverty level, the rate of participation would increase by 4 percent, and the work effort by 12 percent. In contrast, there would be a 9 percent increase in the participation of husband and wife families in a pure NIT. Thus, Moffitt (1982: 225) stressed that "this gain in labor supply is brought at the price of a significant reduction in transfer of income to the poor...Therefore, the society faces a clear trade-off between income redistribution and work incentives.."

Interestingly, the results of the experimental condition of training subsidies have generally gone unnoticed. Hall (1980) reported that the subsidies clearly induced the recipients to take additional schooling and this was true for husbands, wives and single female heads of households. For the latter group, the subsidies had a greater effect in inducing women back to school than on those already in school. The strongest effect was on young women.

One of the more controversial findings of the Denver-Seattle experiment was the impact of the negative income tax on marital stability (Groeneveld, Tuman and Hannan 1980). For the five-year sample the overall increase in marital dissolution for blacks was 61 percent, and for whites 58 percent. For chicanos there was a 4 percent decline. The increases occur at the lower levels of the income guarantee. These rates vary, however, according to number of children, and other demographic characteristics.

The NIT experiments have been criticized both on substantive and methodological grounds (for a review see Ferber and Hirsch 1978). For our purpose, however, the issue is the extent to which the experiments have helped diminish the moral ambiguity or in guiding social policy on welfare and work. From this perspective, the experiments have only added to the moral debate rather than helped resolve it. As pointed out by Neubeck and Roach (1981) and Boeckmann (1976) the congressional debates on welfare reform were colored by the political fall-out of the experiments. Senator Moynihan, for example, expressed concern that the findings about work effort and marital dissolution would erode support for a negative income tax program. Contesting ideological interest groups seized upon the findings to support their own views. Anderson (1978) advocating a reaffirmation of a needy-only philosophical approach to welfare and a clear work requirement, buttressed his argument by concluding from the experiments that a guaranteed income will cause substantial reduction (perhaps as much as 50 percent) in the work effort of

low-income workers and massive marriage breakup. Murray (1984) who advocated the elimination of public assistance all together used the results of the experiments to support his view that welfare has a morally corrupting impact on its recipients. Proponents of an income support program charge that such critics overlook the fact that the experiments provided income support far more generous than has been contemplated by any welfare reform proposal, that the reduction of the work effort for heads of household is very moderate, and that negative consequences of income support programs on family stability have been overstated (e.g. Danziger and Gottschalk 1985; Garfinkel and McLanahan 1986). Assessing the impact of these experiments on policymakers Neubeck and Roach (1981: 315) concluded that "Political elites are likely to see as significant and useful those research results that fit well with their already formed ideological predispositions, and ignore or challenge those that conflict with them."

b. Demonstrations of Alternative Work Programs

Failing to resolve the normative tension between income support and incentives to work, attention has shifted to the design and evaluation of work programs that can be justified and legitimated on social utilitarian grounds, namely that they materially benefit the recipient and society at large. A social utilitarian orientation, rooted in a capitalistic market economy, defines the success or failure of a work program on the basis of

strict economic calculus that includes a benefit-cost analysis from the perspective of the participants, the taxpayers and society at large (i.e. both groups). Benefits are defined as outputs produced by the participants in the program and post-program earnings, reduced dependence on welfare programs, and reduced use of alternative training and employment services. Costs are defined as program operating costs, administrative costs, participant labor costs (i.e. in-program earnings, foregone earnings) and increased work related costs (Kemper, Long and Thornton 1981).

It is important to emphasize that benefits and costs which cannot be readily assigned a monetary value are not included. As a result, there are many important social and psychological consequences of such programs that are ignored. From a socio-political perspective they omit, for example, the impact of these programs on displacing other low wage workers, their consequences on the wage structure in low-wage industries, and their effect on maintaining gender segregated industries and occupations (since most of the participants are women). They also fail to consider the extent to which such programs serve as a deterrent (i.e. as a work test) to apply for welfare. They also fail to consider the intangible benefits and costs for those who have to administer such programs. From a social-psychological perspective the cost-benefit analysis ignores the impact of such programs on the social and psychological well-being of the participants and their families, including, for example, positive or negative self

image in working in low wage jobs, coping with job insecurity associated with low wage jobs, impact on physical and mental health, and the trade-off between working and caring for one's dependents. The point is not to enumerate all of the possible benefits and costs that are left out, but rather to sharpen and highlight the normative context of such an analysis. The issue is not merely technical, but rather ideological and political because such an analysis frames and constrains the discussion and debate on workfare programs to a narrow social utilitarian perspective. Such a choice is consistent with the need to affirm the legitimacy of "successful" programs by showing their adherence to and reinforcement of the dominant institutional norms about welfare and work. The rationalization of these norms is primarily social utilitarian, namely that they sustain the economic order.

Even from a social utilitarian perspective, the policy implications from the different work programs experiments and demonstrations are not unequivocal for two reasons: first, because the results are sensitive to contextual variations, generalizations become exceedingly difficult. These variables include changing national and local economic conditions, the composition of those participating in the programs, changes in national and local welfare policies, the scope of each program, and the administrative capacity of the welfare agency. Second, a program that may be the most cost-effective to the participants may not be so to the taxpayers, and vice versa, while one which

is cost-effective to both may produce only marginal benefits. In a review of a series of evaluation studies of various work programs Grossman and Mirsky (1985: 17) concluded that "they have increased the employment and earnings of AFDC recipients, but that they have had little effect on hourly wages, and quite modest effects on welfare receipt." Their findings are summarized in Table 3. They also noted that welfare recipients who have had little or no work experience benefitted substantially more from the programs than those with some recent work experience. Moreover, for welfare recipients with no work experience public service employment, CETA and On-the-Job Training provide the greatest improvement in earnings, ranging from \$1201 to \$2793 as compared to \$495 in job placement. Nevertheless, the national policies guiding workfare programs have essentially eliminated or reduced substantially funding for such programs mostly because public employment for welfare recipients is not generally compatible with the symbols of a capitalistic market economy. Furthermore, as we shall note below, many of these programs do not provide significant savings in welfare expenditures in the short run, making it difficult for policymakers to justify their continuation. Thus, even social utilitarianism has its limits within the current structure of our economic and political institutions.

The 1981 Omnibus Budget Reconciliation Act also provided the opportunity to design a rigorous set of experiments in several types of work programs for AFDC recipients in eight states. The

TABLE 3

IMPACTS OF MAJOR EMPLOYMENT PROGRAMS
(Dollar estimates are rounded to the nearest \$50)

Program Services	Percent Employed	Annual Earnings	Annual AFDC Payments	Short-Term Fiscal Cost-Effective	Socially Cost-Effective
Job-Search Assistance					
WIN	n.a.	\$150	n.a.	n.a.	n.a.
CETA	n.a.	50 to 550	n.a.	n.a.	n.a.
Louisville IES	5.0	300	\$0	no	yes
Louisville Group Job-Search	11.7	300	0	no	no
San Diego Employment Preparation	7.7	700	-200	no	yes
EOPP	5.0	300	n.a.	no	yes
Azrin's Job Club	29.0	n.a.	n.a.	yes	yes
Employment and Training Programs					
WIN	n.a.	\$400 to \$1,500	-\$250 to -\$50	no ^a	yes
CETA	5.5	350 to 1,800	-250 to 900	n.a.	n.a.
Work Equity	8.0	550	100	no	no
San Diego Experimental Work Experience	7.7	500	-200	no	yes
Supported Work	7.0	850	-600	yes	no

SOURCES: MDRC (1980), MDRC (1984), MDRC (1985), Brown et al. (1983), Azrin (1975), Dickinson et al. (1984), Ketron (1980), Frees et al. (1982), Bassi et al. (1984), and Hollister, Kemper, and Maynard (1984).

NOTE: If the necessary data existed, the estimates in the table are the average impact of a program during the second year after enrollment. In some case, sufficient follow-up was not available. In these cases, the available results were annualized. Because earnings and employment effects typically diminished over time, and because welfare effects typically increased between the first and second year, it was important to determine whether the results are first-year or second-year results. Second-year results are presented for the Louisville IES program, WIN, CETA, and the Supported Work program.

^a The WIN cost-effectiveness results are taken from the Work Equity evaluation, Frees et al. (1982).

Reprinted from: Grossman and Mirsky, 1985. A Survey of Recent Programs Designed to Reduce Long-term Welfare Dependency, p. 19.

evaluation of these programs using experimental and control groups has been conducted by Manpower Demonstration Research Corporation (MDRC). The programs range from a mandatory community work experience program in West Virginia to a voluntary on-the-job-training program in New Jersey. West Virginia, having one of the highest unemployment rates in the nation established a straight work-for-relief program whereby recipients of AFDC-U and AFDC WIN mandatory were required to work in unpaid jobs (CWEP) as long as they were on the rolls. The results (Friedlander, et al. 1986) indicate that participation by the AFDC recipients assigned to the experiment who worked in CWEP reached 33 percent as compared to 70 percent of all AFDC-U registrants. The CWEP assignments were often lengthy but participation was neither full-time or continuous, mostly because of adjustments to child care needs. CWEP had no short-term impact (and was not expected to) on the employability or earnings of the AFDC women and men , and only a small reduction in welfare receipt was evident at the end of the 21-month follow-up period. Few participants acquired new skills. CWEP cost more to government than it saved, unless one included the value of the services provided by participants while in CWEP. When the value of the services is included the net benefit to government was \$734 per recipient. Most participants felt that the work-for-relief was fair, but that the worksite sponsor had the better end of the bargain. Thus, the experiment pointed out, once again, that it is possible to set the poor to work, particularly men, under certain conditions. These include (a) an economic and political climate, such as existing in West

Virginia, characterized by high unemployment and a very depressed economy, a demand for subsidized labor, an acquiescent target population, availability of special demonstration funding, and a welfare agency with an administrative capacity to manage such a program (Friedlander, et al, 1986: xxiii); (b) a willingness by the policymakers to suppress the moral ambiguity by abandoning the hope of reducing the welfare rolls, achieving significant savings in welfare expenditures, or claiming to improve the employability of the poor.

The San Diego experiment is of special significance because its has influenced the formulation of the AFDC work legislation in California known as Greater Avenues for Independence (GAIN), considered to be a model legislation for the nation. San Diego experimented with two program approaches (a) job search and (b) job search followed by work experience (Goldman, et al.1985). The job search included one-day job placement, followed by a three-week job search workshop and two weeks of self directed job search in a group setting. In the second program, following the job search work shop, those unable to find a job were required to work in an unpaid job in a public or private nonprofit agency (Experimental Work Experience Program, or EWEP) with monthly work hours determined by the family's AFDC grant divided by the minimum wage.

Certain contextual factors existed in San Diego which might have had special impact on the character of the program and its

outcomes. First, San Diego experienced a period of rapid economic growth. Second, the local political leadership and the public in general identified strongly with an ideology which views welfare are morally corrupting and eroding the work ethic. In the 1980 election, a local referendum was approved directing the county to "where legally possible, deny welfare benefits to able-bodied recipients who refuse to perform work in return for welfare benefits" (Goldman, et al. 1985: 4). Third, the work history and level of education of the participants in the experiments surpassed those of the national welfare population.

Participation levels were generally high (over half of those registered), and equivalent to 15 percent and 19 percent of the AFDC and AFDC-U registrants respectively. The threat of sanctions for non-compliance were ever present. Almost three-quarters of the sample in the EWEF were identified as non-compliant, and 10 percent of them were actually sanctioned. Nonetheless, most EWEF participants expressed satisfaction with the work assignments and felt that the program was fair.

For AFDC recipients, in both programs the employment rates of the experimental group were between 5 to 10 percent higher than for the control group, and their quarterly earnings gains averaged between \$96 to \$213. There were very modest welfare savings, mostly in the EWEF (\$206 over a year). The results for the AFDC-U showed no consistent increase in employment or earnings, but significant reduction in welfare payments mostly

because of higher reduction rates in the AFDC-U grants as a result of earnings and the application of sanctions. EWEP did not produce better results than the job search workshops. From a cost benefit analysis, AFDC participants gained between \$313 to \$367 in both types of programs, but the taxpayers lost \$87 on EWEP and \$215 on job search per participant. In contrast, for the AFDC-U, the recipients lost \$91 in job search and \$400 in EWEP while the taxpayer gained \$24 and \$557 respectively (see Table 4). The results indicate that for AFDC recipients a job search program can be modestly beneficial within narrow social utilitarian criteria. For AFDC-U, the programs did not help the recipients in any appreciable way. Work-for-relief does not seem to fare any better than job search, and does require a sanctioning system to enforce it.

The results of this study are even more revealing when we note the differences in outcome between AFDC and AFDC-U. They demonstrate how policies and regulations governing the provision of welfare grants play a major role in affecting the costs and benefits of various AFDC work programs, especially the trade-off between benefits and costs to the recipients versus benefits and costs to the taxpayer. A work program can readily become cost-effective to the taxpayer if the overall level of the grant is reduced, the reduction in grant because of earnings increases, and sanctions are vigorously applied. Of course, the result of such policies is to force the recipients to settle for lower benefits and to absorb the costs, thus making the taxpayers the

TABLE 4

**ESTIMATED SHORT-TERM BENEFITS OF JOB SEARCH AND JOB SEARCH-EWEP
THROUGH DECEMBER 1983,^a BY ASSISTANCE CATEGORY,
RESEARCH GROUP, AND ACCOUNTING PERSPECTIVE**

Component of Analysis	Job Search - EWEP			Job Search		
	Accounting Perspective			Accounting Perspective		
	Social	Applicant	Taxpayer	Social	Applicant	Taxpayer
Benefits	AFDC SAMPLE					
Value of EWEP Output	\$229	\$ 0	\$229	-\$1	\$ 0	-\$1
Increased Earnings	461	461	0	436	436	0
Increased Tax Payments	0	-85	85	0	-82	82
Reduced AFDC Payments	0	-187	187	0	-173	173
Other Reduced Transfer Payments	0	177	-177	0	127	-127
Reduced Transfer Administrative Costs	-2	0	-2	1	0	1
Reduced Use of Training Programs	50	-6	56	45	-7	52
Costs						
EPP Operating Costs	-366	0	-366	-383	0	-383
EWEP Operating Costs	-73	0	-73	b	0	b
Allowances and Support Services	0	22	-22	0	12	-12
Client Out-of-Pocket Expenses	-15	-15	0	0	0	0
Net Value	\$280	\$367	-\$87	\$98	\$313	-\$215
Benefits	AFDC-U SAMPLE					
Value of EWEP Output	\$360	\$ 0	\$360	\$ 1	\$ 0	\$ 1
Increased Earnings	270	270	0	324	324	0
Increased Tax Payments	0	-45	45	0	-54	54
Reduced AFDC Payments	0	-378	378	0	-307	307
Other Reduced Transfer Payments	0	-256	256	0	-63	63
Reduced Transfer Administrative Costs	48	0	48	27	0	27
Reduced Use of Training Programs	55	b	55	59	b	59
Costs						
EPP Operating Costs	-475	0	-475	-480	0	-480
EWEP Operating Costs	-85	0	-85	b	0	b
Allowances and Support Services	0	21	-21	0	8	-8
Client Out-of-Pocket Expenses	-16	-16	0	0	0	0
Net Value	\$157	-\$400	\$557	-\$670	-\$81	\$24

SOURCE: Tables 6.7 and 6.8.

NOTES: Benefits and costs reflect estimated experimental-control differences. See Chapter 6 for data sources and estimation procedures. Because of rounding, detail may not sum to totals.

^a Because of the limited time period covered by this preliminary analysis, most of the program costs, but only part of the program benefits, have been estimated.

^b Estimated value of component less than \$0.50.

Reprinted from: Goldman, et al., 1985. Findings From the San Diego Job Search and Work Experience Demonstrations, p. xxxi.

winners. On the other hand, if the welfare grants are generous both in amount and in their incentives for work, the taxpayers become burdened with the costs.

The relationship between welfare generosity and program effectiveness can also be noted when comparisons are made between states. In Arkansas, where the average AFDC monthly payment per family was \$151 as compared to \$489 in California in 1984, the experimental Work program (job search and work experience) created a net benefit to the taxpayer of an estimated \$1177 and a net loss to the participant of \$535 (Friedlander, et al. 1985). In San Diego for the job search and EWEP, it will be recalled, the taxpayer experienced a net loss of \$87 and the participants gained \$367. In a low benefit state such as Arkansas, it is much easier to place the participant in a minimum wage job where earnings will make her ineligible for continued support from AFDC, resulting also in the loss of other benefits such as Medicaid. In San Diego, in contrast, because of the relative generosity of the welfare grant it is more difficult to place the participant in a minimum wage job that provides sufficient earnings to remove her from the welfare rolls⁹.

Finally, the results of the Options Program in Baltimore Maryland are reviewed because of the program's emphasis on improving the long term employability of AFDC recipients (Friedlander, et al. 1985). The program emphasized work

9. I am indebted to Joel Handler for bringing this point to my attention.

experience, basic literacy and General Equivalency Diploma preparation, and skill training. In contrast to the regular WIN program, it received sufficient funding to ensure that all enrollees will obtain necessary services according to their individual needs. Although the program was mandatory, this aspect was not emphasized by the staff. In this study design, the control group was composed of regular WIN registrants. It should be noted that the program served a welfare population that has had significant work history. The program was able to provide a substantial proportion of the participants with various services as compared to the regular WIN program.

Evaluating the impact of the program the researchers found an increase of 7 percent in employment, and a slight gain in earnings as compared to the control group. There were not, however, immediate reductions in welfare receipt or grant expenditures. The impact of the program was more manifest among those who lacked recent work experience. From a benefit-cost analysis, the participants gained \$547. If the value of the community work performed by the work experience participants is not included, the cost to the taxpayer was \$300 per participant. When the value of the community work is included, there is a break-even between the benefits and costs to the taxpayer. It can be concluded, therefore, that with a significant commitment of resources such a program can provide improvement in the employability of AFDC recipients, but they still must continue to depend heavily on welfare grants for their income.

These and other experiments provide general support for the notion that some welfare recipients can be assisted in obtaining employment, resulting in modest savings in welfare expenditures. Moreover, they show that social utility is maximized if such programs target recipients who are long term dependents with no work experience. But, under the best of circumstances, being experimental and small scale programs, the gains are quite modest and affect a relatively small proportion of the recipients. Undoubtedly, the experiments have strengthened the legitimacy of the claims made by proponents of setting the poor to work who can point to the gains in employability while conveniently ignoring the continued dependency of the majority of the poor on welfare for their sustenance whether they work or not. Another important policy contribution of these experiments has been the inclusion in most welfare reform policies and proposals the targeting of long-term recipients with no work experience for the workfare program. Indeed, as I indicate below, these recipients have become the "new" able-bodied poor.

The experiments have not resolved the political and economic dilemmas of implementing such programs. Local political and economic conditions are key factors in determining the choice of programs, be it a work-for-relief or a voluntary training program, and its cost-effectiveness. In the short run, most of these programs are costly to the taxpayer, and their benefits may not exceed costs for several years. It is, therefore, uncertain

how well policymakers can mobilize sufficient political support to invest heavily in large scale implementation of such programs. They have to contend with other interest groups competing for the same resources to promote education, health, child care, highways, the protection of the environment, or the business climate. It is not surprising, as we noted earlier, that only a few states with prospering economies are willing to make such commitments. Finally, although the experiments have demonstrated an organizational capacity to implement such a program, they do not address the organizational issues arising from large scale implementation encompassing a significant proportion of the poor. The historical evidence indicates that attempts to implement such programs on a large scale and with a broad scope typically falter and become overwhelmed by organizational difficulties, mostly emanating from the external environment over which the programs have little control.

c. Determining who should be the Able-Bodied Poor.

The various evaluation studies have been also used to resolve the issue of who should be the able-bodied poor. This normative issue has again been recast from a social utilitarian perspective to mean "who among the welfare recipients should be targeted for workfare programs in order to optimize their cost-effectiveness". This question is addressed by Grossman, Maynard and Roberts (1985: 2) who put it this way: "An optimal strategy for program targeting should account for both differentials in

the expected levels of welfare payments that various subgroups would receive in the absence of an intervention and the expected responsiveness of various welfare recipient subgroups to particular types of program intervention". Simply stated, if a formula can be found to identify those welfare recipients whose participation in workfare programs will be most cost-effective, then the definition of able-bodied poor can be transformed into a technical rather than a moral and political issue.

Ellwood (1986), conducting a very thorough analysis of the dynamics of welfare using longitudinal survey data, found that 25 percent of the recipients have 10 or more years of welfare dependence, and account for almost 60 percent of those who are on welfare at any given point in time, thus presumably consuming at least 60 percent of the program's resources. He further found that education, marital status, number of children, work experience and disability status are the key predictors of welfare spells, and the group at greatest risk of becoming long-term recipients are young never-married women who enter the program when their child is less than three years old. Thus, this group could become the target group for workfare programs if such programs are effective with that population. The evaluation of the various work programs (Grossman, Maynard and Roberts 1985) indicated the following: a) white recipients tended to benefit more from the employment and training programs than did minority recipients, b) welfare recipients with little or no work experience benefited substantially more, and c) the longer and

more costly employment and training programs seem to have significant impact on earnings. However, they also found that different programs optimally benefit different subgroups. For example, the employment and training programs they have examined seem to benefit more women with no recent work experience, women with previous job-training, women over 40, and those with four or more children (Grossman, Maynard and Roberts, 1985: 79). When these findings are juxtaposed on the analysis of welfare dependency by Ellwood, the contradictory results become apparent. The best that one can conclude is that workfare programs are more cost-effective for women without recent work experience.

While accepting a social utilitarian perspective, Ellwood (1986) fully acknowledged the difficulties in targeting specific groups of welfare recipients for workfare programs on the basis of cost-effectiveness criteria. First, he noted that employment is not the main route to economic self-sufficiency, but rather marital status. Second, even among the highest-risk group more than half of the women do not have long-term welfare spells. Third, targeting long-term recipients will not accrue sizable welfare savings in the short run. One can add to this list moral and political considerations as well. Surely, one would not propose to discriminate against minority recipients because the employment and training programs are less successful with them. Similarly, dominant cultural norms are unlikely to exclude men from such programs even though these do little to improve their employability. Further debate may ensue about the social

desirability of having young never-married women with children under the age of three work outside their home versus caring for their children. Politically, policymakers and welfare bureaucracies may not be able to avoid "creaming", that is, justifying expenditures of considerable resources on a target group that is difficult to serve, and when the accrued benefits are realized only in the long run.

Future Directions

Despite the dismal results of most workfare programs there has been no diminution in the search for an AFDC work program as a center piece in any overall welfare policy. The attachment to workfare clearly exceeds its potential impact as indicated by the available research. Undoubtedly the various experiments and demonstrations have given renewed impetus to the institutionalization of new forms of workfare programs, as noted from the impact the San Diego experiment had on the workfare legislation in California. Policymakers have selectively used research findings that programs "work" while ignoring negative results to buttress new legislative initiatives. Yet, as has been historically the case, ideological considerations, and the need to affirm dominant cultural norms have predominated much of the policy making process. The innovations, two of which are discussed here, do not and cannot represent radical departures from the past because the basic cultural and normative ambivalence about poverty has not changed, and the programs must

still cope with many of the same local economic and political exigencies that have existed in the past.

a. ET versus GAIN

Against a background of devolution of federal responsibility for workfare programs, reduced federal resources and increased state responsibility, and wide-ranging experimentations with different program options states have been stimulated to innovate and revamp their own workfare policies and programs. Studies have shown that size, wealth, industrialization, environmental changes, and level of activity by interest groups determine the degree of innovation by states (Walker 1969; Downs 1976). Not surprisingly, the two leading states in innovating workfare programs are Massachusetts with its Employment and Training Program (ET) and California with Greater Avenues for Independence (GAIN). Interestingly, each represents a distinctively different solution to the moral ambiguity of welfare and work. ET attempts to reduce the moral ambiguity by making the program voluntary. GAIN, on the other hand, heightens the moral ambiguity by simultaneously pursuing a carrot and stick policy. Both models represent the result of negotiations and compromises between contending interest groups trying to resolve the moral ambiguity of welfare and work within the political and economic constraints and opportunities at the state level.

It is important to note the economic and political environments in which these two programs have emerged. In Massachusetts and California the per capita income for 1983 was over \$6000 and among the highest in the nation. However, the unemployment rate in 1985 was 3.9 percent in Massachusetts, the lowest in the nation, and 7.2 percent in California. The proportion of welfare recipients to the total population in 1985 was 5.9 in Massachusetts compared to 8.7 in California. Between 1980 and 1983, before ET became operational, Massachusetts experienced a substantial decline of approximately 29 percent in the AFDC rolls as compared to an increase of 7.6 percent in California. In Massachusetts, the decline continued into 1985 and reached 32 percent in comparison to 1980, while in California the increase reached 9 percent. Most of the increase in California was due to the influx of refugees (Albert and Wiseman, 1986). The average monthly payment per family in 1984 was \$389 in Massachusetts and \$489 in California. Politically, in 1982 Massachusetts elected a liberal Democratic governor while California re-elected a conservative Republican, but the Democrats maintained control of the legislature.

According to Savner, et al. (1986), shortly after the passage of OBRA in 1981, Governor King of Massachusetts proposed a comprehensive work and training program which was mandatory for all recipients with children over the age of three, and consisted of a job search for five weeks and a required community work experience for 26 weeks for those unable to find a job. This

cycle was to be repeated. Heavy sanctions for failure to cooperate, including total loss of the grant, were attached to the proposed program. A very effective coalition was organized to oppose the proposal which included trade unions, the Catholic Church, major human service organizations, and legal advocacy groups. The coalition's main objective was to advocate for a voluntary program, and with the election of Governor Dukakis, it achieved its aim. Undoubtedly the rapid decline in the AFDC rolls has had a significant impact on the success of the coalition.

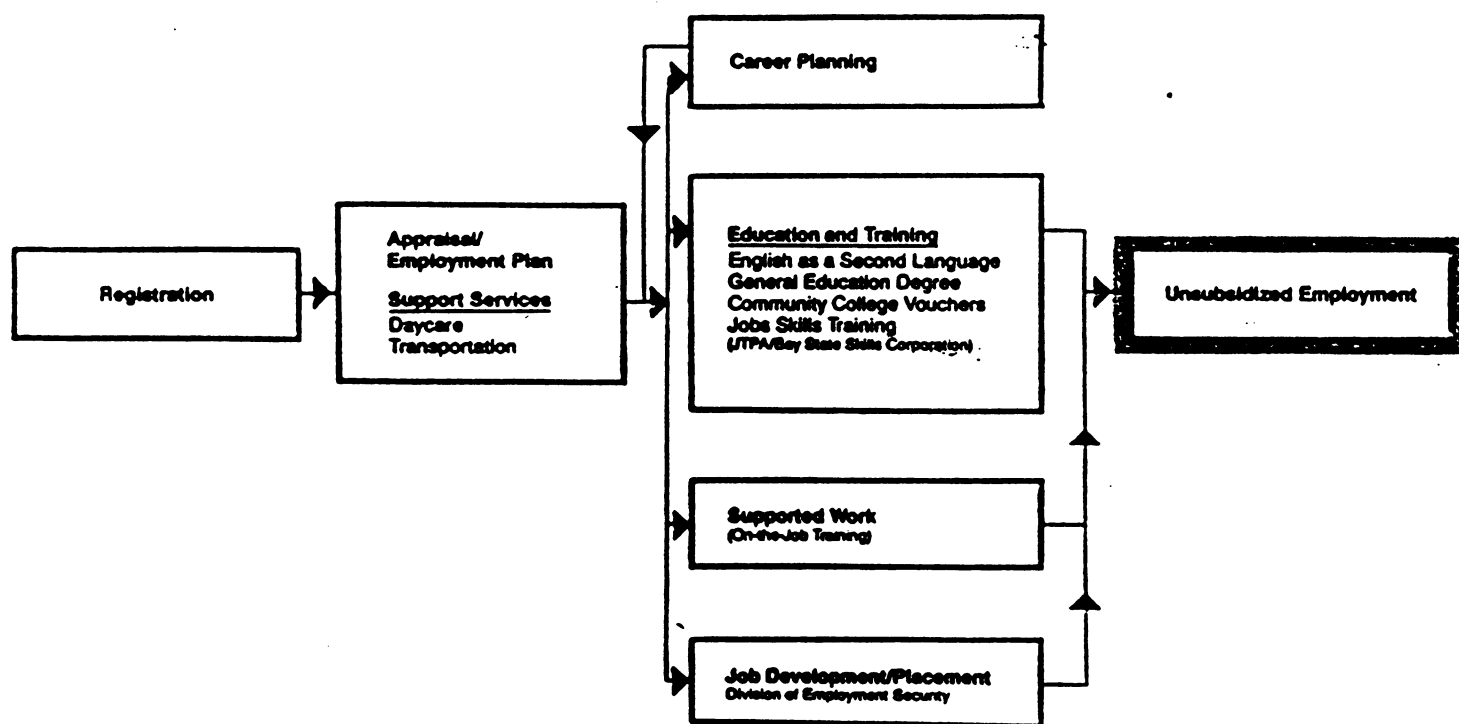
ET has virtually eliminated mandatory participation within the limits of the federal law. Although non-exempt recipients must still register for WIN, there is no effective requirement to participate, and those refusing to participate are put in a "future participation list" which means that they continue to periodically receive information about the program. The list is merely a device to circumvent federal regulations and to avoid the imposition of sanctions for non-participation. Via such administrative maneuvering, ET has managed to minimize, but not eliminate, some of the policy contradictions that typically accompany workfare programs. It does not attempt to serve as a deterrent, or to control the behavior of the recipients by imposing a work requirement, and it does not penalize able-bodied poor for not working¹⁰. Instead, it attempts to induce the able-bodied poor to enter the labor market by offering an array of services, including extensive education and training, as can be

¹⁰. Mandatory participation is still required for recipients of AFDC-U, and mothers with adolescent children.

noted in Fig. 2. The state has allocated approximately \$20 million for state funded day care vouchers, and provides the employed recipients not covered by health insurance, extended coverage for a full year. Programmatically ET is not as radical a departure from WIN as it may seem, and it relies mostly on job placement. As noted earlier, for AFDC recipients, WIN in many states did not enforce sanctions for non-participation, and was a de-facto voluntary program. The services provided by ET, including child care and transportation, were ostensibly included

Fig. 2

ET CHOICES FLOW CHART



in WIN. The major difference is the willingness of the state to adequately fund these services. In 1980 expenditures on WIN were approximately \$20 million, of which the state contributed 10 percent. In 1985 the expenditures jumped to \$30 million of which the state contributed close to 60 percent.

ET has not entirely escaped the difficulties of previous programs. First, it reaches a small fraction of all AFDC recipients (19 percent of the adult caseload in 1985), and it may not reach many of the long-term AFDC recipients. In its first 20 months, approximately 26 percent of the participants entered employment, but it is unknown how many of them did so as a result of the program. Over a third of all job placements are in part-time jobs, and case closure for those actually placed in jobs is under 60 percent. Thus, it cannot be viewed as a solution to the "welfare mess" despite the claims of its supporters. Second, it is not clear how many of the participants actually escape poverty. One study found that a single mother with two children living in private housing and earning the average full-time wage would be roughly \$59 ahead of the AFDC standard of living. If that mother were to live in public housing her standard of living would actually decline (Amott and Kluver, 1986). Furthermore, female and minority participants are not immune from the racial and gender biases in the labor market which depress their wages. Third, it does require, in the short run, considerable

expenditure of resources which under adverse political and economic circumstances may be highly resisted¹¹. Fourth, within the unique economic conditions of Massachusetts, the program can maintain its voluntary characteristic because it serves a labor regulatory function. It provides, at public cost, motivated and trained low skilled workers to an economy, dominated by finance, service, trade, communication and construction industries, that operates in an exceptionally tight labor market. A study by the Massachusetts Taxpayers Foundation (1987) found that the increases in jobs in the service, finance and trade industries have played a major role, together with ET, in reducing the AFDC caseload.

It is, indeed, difficult to predict the fate of the program, or the extent to which it would be emulated by other states. One cannot expect, for example, to see such a program be adopted in southern states or in economically depressed states. An unusual combination of favorable economic and political conditions have converged to make the program possible. One can speculate that the business community is willing to support such a program as long as it serves its interests, and that political support for the program can be sustained only as long as the AFDC rolls continue to decline, and as long as the state's economy can provide sufficient public revenues to maintain the program

11. Already there are indications that the costs per participant have been increasing from \$1,794 in the first year of operation to a projected cost of \$5,305 for 1988 as ET is attempting to serve the more long term welfare recipients (Massachusetts Taxpayers Foundation, 1987).

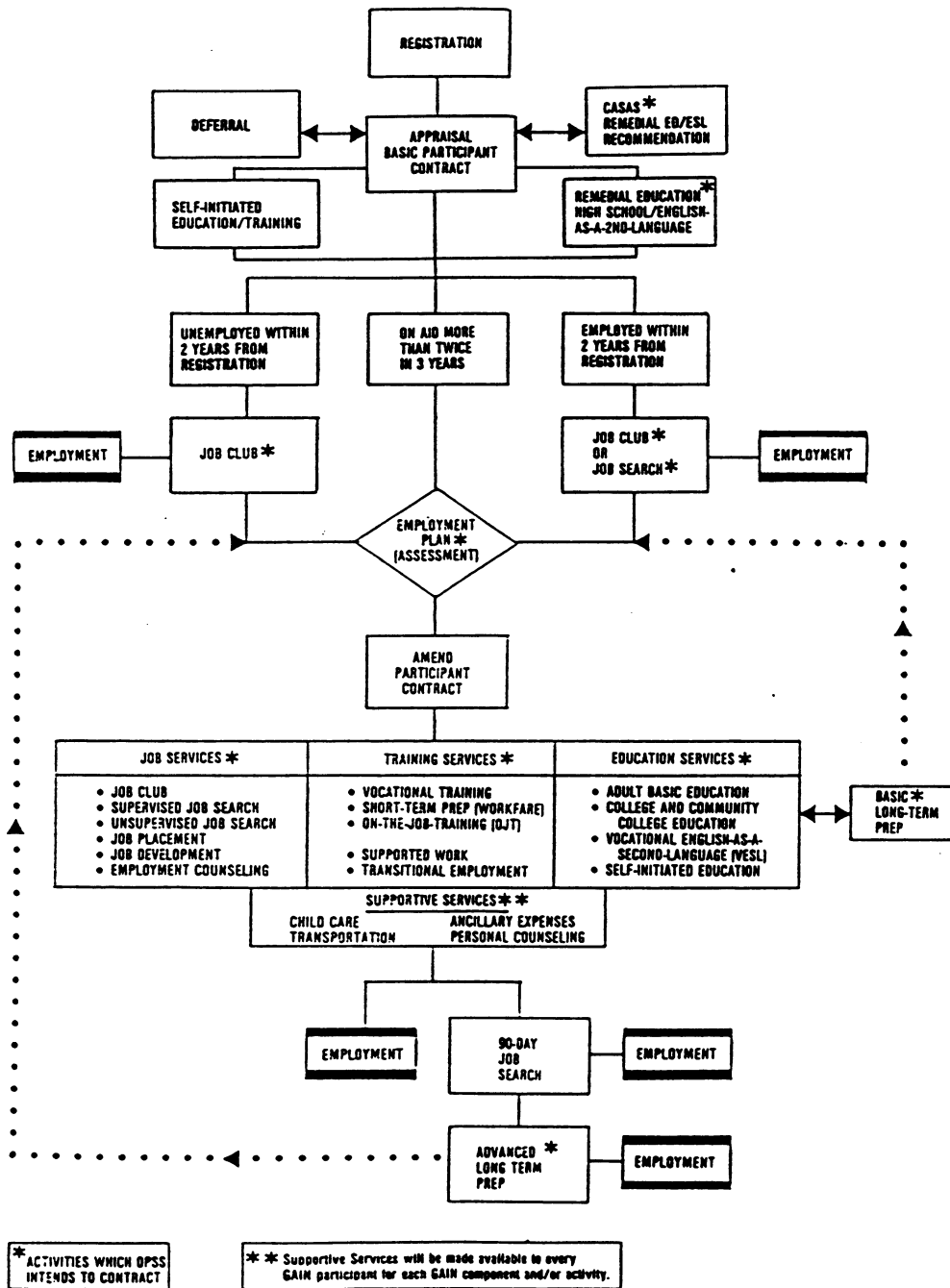
without facing competition from other programs and interest groups. But these conditions can easily change, putting the existence of the program in jeopardy. Put differently, opting to down play certain symbolic elements of the dominant cultural norms about welfare and work, namely the importance of distinguishing the able-bodied poor and requiring them to work, the program may be in precarious legitimacy, and readily open for criticism. Not being consonant with the "American way" it may be of short duration, not unlike the Civil Works Administration.

GAIN, in contrast, embodies and epitomizes the moral ambivalence of poverty. It is a patchwork of compromises between contending ideological perspectives, resulting in an immensely complex yet ambitious legislation. As recounted by Kirp (1986) the governor wanted to revive the CWEP (i.e. work-for-relief) on a state-wide basis but his efforts were blocked by the Democrat-controlled legislature. Yet, the continuing increase in the AFDC rolls, coupled with public support for tax limitations (i.e. Proposition 13) provided the impetus for negotiations. The liberals accepted the idea of a mandated workfare program while the conservatives agreed to the provision of services - educational, training, and child care - to help recipients become employable. Thus, the symbols on both ends of the moral spectrum were affirmed. Underlying GAIN are diverse ideological declarations ranging from the belief that recipients do want to work and will do so if provided the opportunity to the statement that able-bodied recipients are expected to work

The objective of GAIN is to reduce welfare costs by increasing earnings of participants in unsubsidized employment. Emphasis is given to the importance of providing adequate services to attain this objective, but the added costs must be justified on the basis of long-term personal and community payoff. GAIN requires all eligible recipients to participate in the program until they become employed or off AFDC. Following WIN regulations, mandatory registration is required of all AFDC-U recipients and AFDC recipients whose youngest child is six years old or older. Other recipients can volunteer to participate. All registrants must undergo an initial orientation and appraisal to determine if they might be exempted or deferred from the program. Those not exempted or deferred undergo a basic appraisal for literacy skills and participate in remedial education if necessary. Registrants who had employment experience within two years prior to registration are referred to job search and job clubs. Those without work experience and those unable to find a job are then assessed and an employment plan is developed which may include training, education, and job services, as well as supportive services such as child care. The plan may also call for short term work-for-relief (Pre-employment Preparation Program or PREP). Those who complete the plan but fail to find a job within 90 days are assigned to long-term PREP (up to a year). Those who fail to obtain unsubsidized employment following PREP are re-assessed again, and repeat the process. The participant flow chart is presented in Fig 3.

Fig. 3

GREATER AVENUES FOR INDEPENDENCE REGISTRANT'S MOVEMENT THROUGH GAIN



The inherent policy contradictions in the program are quite apparent. The program is expected to reduce the AFDC rolls but is applies only to WIN mandatory recipients who comprise a small

fraction of the total AFDC caseload. The program is to serve as a deterrent for able-bodied recipients, yet were it to provide all the resources it claims, it might actually attract new recipients. Based on the results from the San Diego experiment, the program places priority on long-term recipients. Yet, the contract requirements with the various educational, training and placement vendors encourage "creaming" by insisting on payments based on performance (e.g. placement in unsubsidized employment). The program emphasizes job search and placement, but concedes the need for services to those failing to find a job. While the ultimate aim of the program is placement in a job, there are numerous safeguards enabling participants to refuse a job, including net earnings (after mandatory deductions such as taxes, Social Security, union dues, and costs of health insurance if not covered by the employer) that are less than the monthly AFDC grant. This would mean that a mother with two children would have good cause to refuse a job paying \$1,100 per month¹². The program emphasizes the need for an individualized plan fitting the unique needs of each participant. However, it is very prescriptive in the phases each participant must follow. The program emphasizes rehabilitation, via its educational, training, and job placement services, but it simultaneously pursues a mandatory work-for-relief provision for those who fail to obtain employment. In this instance, interestingly, the policymakers did not heed the negative results of the San Diego experiment. The program is expected to provide extensive services, but has a built-in

12. Assuming the recipient is employed 40 hours per week, the equivalent hourly wage will be just under \$7.00.

disclaimer in case of lack of resources - temporary deferral. While the program is mandatory, and requires the application of sanctions for non-compliance, it provides many loopholes for "deferring" compliance, including emotional and mental problems, substance abuse, and severe family crisis. The program requires participants to sign a contract for each phase of the service provision process obligating the participant and the agency to certain activities. Inability of the agency to meet its contractual obligations provides the participants with good cause to discontinue their participation. Violation of the contract by the participants could trigger sanctions for non-compliance. Yet, the program has specified a very complex and cumbersome hearing system rendering sanctioning difficult. Finally, although the program is required by the state which will assume all additional administrative costs, it leaves much of its implementation to local initiative. Moreover, although it emphasizes the need for a full array of services it also puts a premium on using existing local services before commitment of additional state resources.

The political economy of implementing GAIN, both at the state and county level, points to onerous issues not much different from those experienced in WIN. The success of the program, at the local level, will be significantly influenced by socio-economic factors such as prevailing labor market conditions (e.g. unemployment rate, employment opportunities in low wage industries, prevailing wages), proportion of population below the poverty line, and the ethnic background, educational level and

work experience of the registrants. There are some initial indications that a much larger than expected proportion of the registrants have literacy deficiencies (Wallace and Long 1987). Moreover, the same researchers also report some preliminary indications that counties with unfavorable labor market conditions are more likely to emphasize the work-for-relief aspect of the program.

Availability and access to resources is a pivotal issue . The state will be required to commit extensive resources to the program, and redirect the allocation of existing educational, training and child care resources to GAIN. The need for resources could become staggering. Los Angeles County, for example, which accounts for approximately 40 percent of the AFDC case load in the state, has submitted for fiscal year 1988-89 a budget request totalling over \$191 million for on going costs, and over \$11 million for implementation of the program. The county is projecting an enrollment of 46,000 participants for that year out of a total of approximately 100,000 participants when the program is fully implemented. Unless the program can produce early favorable results, difficult under the best of circumstances, the political support for GAIN may be short lived, particularly if the state experiences a lower than expected economic growth or an actual reduction in public revenues. As was the case with WIN, in the competition for limited resources, workfare programs come in last. Already, local counties and agencies are voicing concerns and fears of lack of adequate funding. Local educational,

training and child care agencies are also concerned about having to shift their priorities to serve GAIN participants and they voice reservations about the performance-based contracts.

A key to the success of the program is the ability of the local community to develop an extensive inter-organizational network of services that can effectively respond to the individualized plans developed for each participant. Such a network is not currently in existence, and unless buttressed by substantial inducements, it is unlikely to function as anticipated by the program. The inducements must be sufficient to overcome potential resistance to serving what is perceived to be a difficult population. The ability of each county to activate such a network is a function of the organizational diversity and technological sophistication in its organizational network; the existence of a large and internally diverse political bureaucracy; the richness and diversity of the county's economy; and the existence of community wide associations that can forge consensus around the program (Turk, 1977).

At the "street-level bureaucracy," the organizational issues are no less complex. Wallace and Long (1987) indicate that line staff are already voicing some skepticism about the viability of the program (they may remember the WIN experience). If demand begins to outstrip supply, the bureaucracy has two discretionary options -- to grant more exemptions and deferrals or to stress the work-for-relief component. Generally, staff are more likely

to opt for the former because it represents, from their perspective, a more efficient use of resources and fewer complications in the processing of registrants. Similarly, the "case managers" are likely to make decisions reflecting the exigencies of the inter-organizational arrangements rather than the needs of the participants. Participants are more likely to be routed to accessible services, and re-routed or held in a deferred category when needed services are not available. The pressure on the agency to demonstrate results could lead case managers to make decisions that are not consonant with the needs of the recipients (Hasenfeld 1983).

What is the likelihood that GAIN will achieve its intended objectives? If history is any guide, the answer must be in the negative. A program that is beset by such conflicting policies is likely to become decoupled from the policies, and to engage in activities that reaffirm the conflicting symbols but provide limited, if any, substantive outputs. Thus, the ultimate virtue of GAIN might not be in the number of recipients who become economically self-sufficient or in its ability to reduce the welfare rolls, but rather in giving deference, by its very existence, to contesting ideologies about the poor.

b. The Many Faces of AFDC Recipients

The evolution of welfare and work policies has been influenced in no small measure by images and stereotypes of the poor. Historically, the poor were viewed as morally wretched, lazy and content to live on public handouts. Contemporary images of welfare recipients are equally negative. Feagin (1975) found that the majority of the American public believes that too many people are on welfare who should be working, that many recipients are dishonest, and that welfare encourages illegitimacy. Sheehan's (1976) case study of a welfare mother depicted the persistency and corrupting influence of welfare, and its intergenerational transmission. Auletta (1982:) coined the image of an "underclass" said to include a third or more of all the poor and consisting of " (a) the passive poor, usually long-term welfare recipients; (b) the hostile street criminals who terrorize most cities, and who are often school dropouts and drug addicts; (c) the hustlers, who, like street criminals, may not be poor and who can earn their livelihood in an underground economy, but rarely commit violent crimes; (d) the traumatized drunks, drifters, homeless, shopping-bag ladies and released mental patients who frequently roam or collapse on city streets."

Fortunately, the availability of longitudinal data on welfare recipients through the Panel Study of Income Dynamics (PSID) and the National Longitudinal Surveys (NLS) have debunked

many of these images and have shed considerable light on the potential impact of workfare programs on moving welfare recipients toward economic self sufficiency. Studies based on these data are being widely discussed and debated regarding their implications on the formulation of welfare and work policies. They do indicate that workfare programs will have, at best, a modest impact on helping recipients move toward self sufficiency. Nonetheless, as in the case of NIT, these studies are used selectively to buttress contesting ideologies, and they cannot counteract the symbolic and political functions of workfare which continue to play a central role in most proposals for welfare reform.

Bane and Ellwood (1983) estimated that 75 percent of all spells on AFDC begin because of a change in family composition whereby a female headed family with children was created (i.e. divorce/separation and out-of-wedlock births). Only 15 percent of the spells were a result of a decline in earnings. Changes in family composition rather than labor market events are also more important in determining exit from AFDC. Ellwood (1986) found that marriage accounted for 35 percent of the completion of AFDC spells, having children over the age of 18 for 11 percent, increase in transfer income for 14 percent, increase in earnings of other family members for 5 percent, increase in own earnings for 21 percent, and other factors for 14 percent.

Welfare spells are quite common but generally not persistent. Coe (1981) showed that for the period 1969 through 1978, 25 percent of the U.S. population received welfare¹³ in one or more years in that time period, but only 6.5 percent of the population received welfare for 6 or more years. For black children, however, 73 percent received welfare one or more years, and 43 percent received welfare in 6 or more years. Still, there is a great deal of entry and exit from the welfare rolls. Using three data sources (NLS, PSID, and AFDC case records) O'Neill et al. (1984) found that half of all welfare spells last over one year, 16-18 percent survive to the fifth year and 5-7 percent to the tenth year. When taking into account multiple welfare spells Ellwood (1986) found that 50 percent of those who ever receive AFDC will receive it for no more than four years. However, nearly 25 percent of those ever receiving AFDC have 10 or more years of receipt. These "persistent" welfare users (10 years or more) account for almost 60 percent of those who are found on the welfare rolls at any given point in time, and thus consume at least 60 percent of the program's resources.

On the basis of the NLS data O'Neill, et al. (1984) identified several key factors that increase the duration of a welfare spell: a) lack of previous work history and low earnings; b) number of children under six; c) low level of education; d) being never married, having lived as a teenager in a mother-only family, and living with a parent; e) being black; f) living in a

13. Welfare is defined as AFDC, General Assistance, SSI, and Food Stamps.

higher benefit state; and g) rising unemployment and lower wages. O'Neill et al. (1984: 11) indicate that "the probability of remaining on welfare beyond two years is more than 90 percent for a woman with only eight years of schooling, who is black, lives in the North, has five children, no work experience, was never married, grew up in a single-parent family and scored low in efficacy on the Rotter test." Using the PSID data Ellwood (1986) reached similar conclusions finding that the number of children, education, marital status, disability, and work experience have a substantial influence on the duration of the spell, while race has a modest effect. The group at greatest risk of becoming persistent recipients are young never-married women who enter AFDC when their child is less than 3 years old.

Financial dependence on welfare is not extensive. Coe (1981) noted that between 1969 and 1978 the proportions of the U.S. population receiving at least 50 percent of the family income from welfare in one or more years and six or more years were 8.7 and 2.8 respectively. The corresponding proportions for black children were 45.8 and 16.3. Rein and Rainwater (1978) found that among all women ever receiving welfare, 12 percent were long-term welfare recipients (4-7 years) receiving 50 percent or more of their income from welfare, and 26 percent were long term recipients receiving less than 50 percent of their income from welfare. Thus, the majority of long-term recipients do not rely on welfare for most of their income.

Finally, Ellwood (1986a) estimated the prospects of AFDC recipients achieving economic self-sufficiency through work. First, he noted that female heads of households must work full-time (i.e., over 1500 hours per year) to escape poverty and welfare, yet only 38 percent of female heads are fully employed. Second, if we assume that AFDC recipients should work as much as female heads with children under six whose earnings lifts the family from poverty, then only 39 percent of them work full time. More of these women work than comparable wives (39 percent vs. 24 percent). Third, the most important factors of leaving AFDC within two years and with earning over \$6000 are work experience prior to AFDC receipt, level of education, and number of children. These findings are similar to those noted by O'Neill et al. (1984) regarding duration of AFDC spells. Finally, a larger proportion of the women who eventually leave welfare with high earnings have more episodes of work (i.e. more work hours) between welfare spells. Of course, these are the women who have prior work experience, a higher level of education, and fewer children. Hence, Ellwood (1986a) concludes that it is unrealistic to expect that single mothers can achieve economic self-sufficiency through work.

If these studies point to any direction in reducing the welfare rolls, it is certainly not through workfare programs. Indeed, from a social policy perspective, these studies suggest that a more effective strategy to combat welfare dependency is to prevent its occurrence, by attacking its root causes, rather than

copied with its consequences. Let us recall that the major reason for beginning an AFDC spell is a change in family composition, and that lack of work experience, low level of education, having children under six, and being never-married increase the risk of long welfare spells. An effective intervention strategy calls for reducing these risks rather than trying to mitigate their negative effects on the well-being of women and children. To do so will require significant changes in basic social institutions -- family, education and work. These may include investments in public education and vocational programs directed at the most vulnerable students; expansion of training and employment opportunities, both in the public and private sectors, to those least employable; raising minimum wages and benefits; provision of extensive family planning, health care, and child care services to those least able to afford them; and the elimination of gender and racial discrimination, among other measures. These measures require radical transformation of existing institutional arrangements, challenging many dominant cultural symbols. Moreover, in the short run, they may require financial investments which far exceed the costs of AFDC. Thus, they are less feasible politically, leading policymakers to adopt programs that are consonant with such symbols and with the political and economic constraints on allocation of public resources even though they may be marginally effective, such as workfare.

Conclusion

Workfare policies and programs have persisted in various forms despite the overwhelming historical evidence that they have generally failed to reduce, in any appreciable way, the welfare rolls or improve the economic self-sufficiency of the poor. The reasons for the survival of the institution of workfare cannot, therefore, reside in its salutary effects on the poor and welfare, but rather in its apparent utility to the non-poor. It has been proposed that workfare serves a social control function by deterring potential applicants, by sanctioning non-complying recipients, and by forcing the poor into low wage jobs (Piven and Cloward 1971; Katz 1986). Undoubtedly, the history of workfare is replete with such attempts. Nonetheless, even as an instrument of social control workfare has not been very effective or efficient. There are clearly more efficient ways to control the lives of welfare recipients through policies governing the provision of cash relief and through administrative procedures (Brodkin and Lipsky 1983) than through a cumbersome and costly program. De facto, policymakers and program administrators have repeatedly opted for direct cash relief rather than setting the poor to work.

Yet, the idea of setting the able-bodied poor to work has remained ingrained throughout the ideological spectrum on poverty and welfare. Both the advocates of poverty as a personal and

moral deficiency (the "moralists") and the proponents of poverty as a consequence of debilitating circumstances (the "structuralists") have embraced the idea of workfare, albeit with different emphases. The former present it as a key solution to the problem of poverty while the latter accept it as an important supplementary solution. They do so because poverty among able-bodied persons presents to both groups a moral ambiguity for which workfare is an attempted solution. For the "moralists" the persistence of poverty brings into doubt the legitimacy of the moral order by questioning the righteousness of the work ethic and self-sufficiency. Workfare is viewed as the affirmation of these norms by insisting that the able-bodied poor should work and be removed from the welfare rolls. For the "structuralists" the persistence of poverty among the able-bodied challenges the political order by questioning its ability to provide equal opportunities to all citizens. Workfare confirms the role of government in protecting social rights, including the right to work, by insisting that the able-bodied poor can work and escape poverty. Moreover, in both instances, the institution of workfare reaffirms the capitalist market economy which both views uphold and accept as the foundation for common institutional rules about work and welfare.

The fact that the resulting workfare policies and programs point to an overwhelming disjuncture between ideology and organizational reality is a strong indication that workfare policies and programs serve primarily a symbolic purpose. By

being institutionalized organizations, workfare programs are able to reinforce the dominant institutional rules of work and welfare while insulating them from the ambiguous and contradictory reality about setting the poor to work. In many respects both the moralists and structuralists use workfare as an institutional safety valve for the continued reliance on cash relief for the able-bodied poor. By decoupling the norms from the programs, failures at the programmatic level do not undermine the legitimacy of the norms. These failures are addressed by periodic and almost ritualistic modifications of the policies and the programs. These oscillate, for example, between providing training and employment services versus job search; mandatory versus voluntary participation; and enforcement of work requirement versus inducements to work. Yet, the critical functions of these programs is to certify who is able-bodied, to mandate registration for work, and to be able to present sufficient testimonials of setting some of them to work.

Nonetheless, even in carrying out these functions, workfare programs cannot escape the moral ambiguity of the very norms which they attempt to uphold. It is the political economy of coping with the moral ambiguity that gives workfare programs several distinct organizational characteristics. First, these programs are beset by contradictory goals such as providing recipients with services while forcing them to work or inducing them to work while insisting on mandatory participation. Second, they are generally starved of sufficient resources to meet their

mandate. Third, they serve a very small fraction of the eligible poor. Fourth, they are highly sensitive to local labor market conditions which are the key determinant of their success in getting the poor to work. Fifth, their people processing technology is characterized by "funnelling" of recipients. While most eligible recipients are registered and certified, only a few actually receive employment services or are placed in jobs. Finally, they are caught in bureaucratic dilemmas regarding the enforcement of sanctions for non-compliance in the face of limited resources and problem-ridden recipients.

Although the institution of workfare serves primarily the needs of the non-poor in confirming their cultural norms, the poor, especially women, do not escape without cost. Periodically they encounter a mixture of fear of losing their welfare benefits and hope of escaping poverty. They face the fear that workfare would force them to work under exploitative conditions, or force them off welfare while keeping them in poverty. For some, indeed, the fear becomes a reality, but for the majority the fear dissipates into a bureaucratic nuisance to be borne as a cost of being on welfare. Their hopes are raised that the program will indeed help them obtain employment and escape poverty. For some the hopes materialize, but for the majority such hopes are dashed by an organizational reality of lack of resources. In both instances, the poor become entrapped in what surely must be perceived by them as bureaucratic capriciousness in which

official edicts and declarations have double and contradictory meanings.

The contemporary institution of workfare has been directed primarily at female heads of households who are on welfare. For these women the relationship between welfare and work is complicated by the impact of two interacting forces. The first force has to do with changes in marital relations, family structure and child care responsibilities, and societal responses to them. The second force has to do with the changing roles of women in the labor market and the resulting jobs and wages they obtain. These forces converge to influence the ability of female heads of household to escape poverty. Thus, under current social and economic arrangements, for most of them the route to escape poverty is not through work but through changes in family composition. There is no doubt that women on AFDC can benefit from education, training, subsidized employment and job search activities. It is also clear that requiring recipients, women and men, to work for their relief, does little to improve their economic well-being. It is also abundantly clear that for the majority of women on AFDC, even when they work, periodic dependency on welfare benefits is unavoidable. Thus, the dominant cultural norms of viewing welfare as antithesis to work contradict the social reality in which work and welfare must complement each other. Because the institution of workfare is based on these cultural norms it finds itself in conflict with this reality. As long as the moral ambiguity of poverty is not resolved at the institutional level workfare programs will

continue to serve their symbolic function while being mostly marginal to the social reality of poverty and welfare.

Forgotten in the institution of workfare are the children of the poor. They are the silent partners whose voices and needs are seldom heard in the moral debate about welfare and work. At best they are viewed as an impediment to setting the poor to work which could be remedied by the provision of child care subsidies. At worst, they are viewed as the result of the moral depravity of the poor. The impact of welfare, in general, and workfare, in particular, on the well-being of the children is generally ignored. In the studies of the costs and benefits of workfare programs, the children are generally non-existent, and benefits and costs to them are not calculated. It might be argued that there is a conspiracy of silence among the framers of welfare and work policies, because having to address directly the needs of the children of the poor requires solutions that may run counter to the dominant institutional norms. The legacy of workfare programs is to have the children bear the costs of whatever failings and misfortunes their parents have accrued.

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