

Reporter

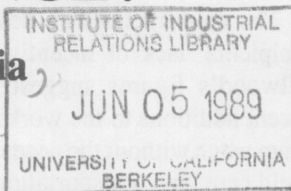
March 1989

Number 260

GREATER
AVENUES TOWARD
INDEPENDENCE?

Workfare In California

by Alice Burton . //



In an unusual show of bipartisan cooperation the Reagan administration and the democratically-controlled House and Senate overwhelmingly approved a welfare reform bill in the summer of 1988. The main component of the law mandates federal funds for state workfare, or work for welfare, programs. Workfare programs, though varying by state, all give welfare recipients the opportunity (in many cases it is a requirement) to work for their Aid to Families with Dependent Children (AFDC) benefits.

Supporters of workfare claim that this "on-the-job-training" will reverse long-time recipients' dependency on welfare. They argue that, though initially expensive, these programs will eventually offset the cost of a growing welfare system by easing recipients into the full-time, permanent labor force.

A social program purporting to reduce a strained federal budget and put unemployed people to work would, at first glance, appear to satisfy the traditional constituencies of both conservatives and liberals. And, indeed, opinion polls showing wide public approval for workfare indicate that many Americans agree with their lawmakers. Unfortunately, the federal celebration of workfare as "the nation's boldest plan to train and employ welfare recipients" ignores the fact that state programs have been able to deliver on their avowed goal: self sufficiency for welfare recipients.

GAIN: A Case In Point

California's own workfare program, Greater Avenues for Independence (GAIN), was an important model for legislators drafting national welfare reform. GAIN combines education, workfare, known as "on-the-job-training," and job placement services in a program that is mandatory for all able-bodied recipients of AFDC with children over age three (some counties have lowered the age to one). A product, in part, of President Reagan's first-term welfare policies, GAIN's three-year record demonstrates fundamental problems with many of these programs: they are costly to administer, many working participants' incomes remain below the poverty level, and low-paid service workers are threatened with job displacement.

Cost

Though there is a debate between GAIN supporters and detractors about whether the program is working or can work, all agree that it costs more than was expected. Planners who estimated that the program would cost 250 million a year when it gets into full-swing in 1991 now concede that it will cost twice that amount. Despite spending \$93 million last year, state officials admit that GAIN helped only 1600 participants find jobs, a tiny fraction of the 200,000 parents it is targeting to move off the welfare rolls.

Part of the budgetary strain has been attributed to an underestimate of the number of participants (57%) who need remedial education services. Education budgets were based on a calculation that determined recipients' needs by their educational level (i.e. freshman or graduated senior) at the time of leaving school. It has since been found that the attainment of remedial skills did not correlate significantly with a high school degree. Many of the high school graduates did not achieve basic literacy in their under-funded, inner city schools. It is evident that the cost of social legislation like GAIN, which at its best seeks to remedy the long-term neglect of welfare recipients' education will be great.

"Training," Services, and Employment

Social welfare planners' mistake in determining recipients' educational needs should send GAIN administrators a message. Training programs shaped by expedience, i.e., classes in interview skills, may ignore more basic impediments such as illiteracy or the availability of only low-wage, dead-end jobs to welfare recipients' self-sufficiency. Unfortunately, GAIN's training programs combine preparation for traditionally underpaid oc-

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cupations with efforts to reform recipients' allegedly negative attitudes to wage labor, missing the point on both counts.

Trained on the job for as little as 90 days GAIN participants are likely to take jobs without benefits, job security, upward mobility, or union representation. The average hourly wage for a successful GAIN graduate in 1988 varied between \$4.18 (Madera County) and \$6.25 (Santa Clara County). Though participants' incomes are initially subsidized through vouchers for childcare, transportation, and a continuation of medicaid, participants are on their own after 6 months to a year in most counties.

There is a provision in the California law to protect recipients from being forced to accept a job that places her family under the poverty level. The California Coalition for Welfare Rights claims, however, that in many counties the provision is ignored. GAIN participants, fearful of having their case closed if they do not cooperate, are often unaware of their rights. Even a brief loss in benefits can cause recipients to be evicted, go hungry, and lose health care. A spokesperson for the coalition comments, "They're training us to become clerks and busboys...you can't live on those wages. That's why we call this program PAIN--which stands for Painful Avenues to Nowhere."

Training programs in GAIN that prepare welfare recipients for low-paying jobs are accompanied by those which emphasize the importance of a positive attitude in the job search. Corporate recruiters have been hired by some counties to teach the GAIN participants to make phone contacts, interview, and observe proper etiquette on the job. The irony and misguidedness of investing GAIN monies in corporate consultants to prepare participants for their jobs as file clerks and fastfood workers is apparent. Courses which encourage GAIN participants to think positively, while not bad in themselves, hold out false promises to those who are channeled into jobs that don't pay enough to support a family and are without opportunity for raises or advancement.

Displaced Workers

Though there has been no conclusive evidence that public sector workers or those at the lower end of the wage scale are being displaced by GAIN, the program poses a threat. The AFL-CIO news suggests that public sector employees who staff welfare programs may be threatened as the administration of some workfare programs are shifted to the private sector. Counties also may attempt to replace organized public employees such as sanitation workers or janitors with GAIN trainees.

GAIN participants, who work for welfare, provide a ready reserve labor force who are not entitled to the same benefits or rights offered to traditional workers in the workplace, like social security contributions, unemployment insurance, sick time, vacation, and the right to union membership. Workfare workers who work cheaply and *initially* receive state subsidies allow private sector employers to undercut the wages other workers demand.

Timothy Sampson, San Francisco State University professor and expert on workfare, reports that it is not uncommon for underemployed or laid-off workers to be forced to go on welfare because GAIN recipients who have job placement services tap their job contacts. Sampson sees GAIN as a "billion dollar boondoggle" that will not reduce welfare rolls, but merely reshuffle the recipients who are on them.

At its best GAIN addresses social inequities such as the inadequate education welfare recipients have received. Tackling such problems, however, requires recognition that there is no quick, cheap fix to years of poor education in the form of attitude-adjustment classes. GAIN, at its most unrealistic, is based on the assumption that welfare recipients do not work for wages because they are lazy or have bad attitudes in the face of ample opportunity. Such a perspective ignores the facts about the growing numbers of working poor. Economist David Ellwood has calculated that in 40% of poor two-parent families at least one adult has worked full-time all year.

The concern GAIN's designers have shown toward welfare recipients' lack of incentive is clearly misguided. Rather, as Ellwood's figures suggest, workfare participants are merely recent additions to the working poor who subsist on a low minimum wage without the necessities of affordable health insurance, child care, and transportation.

GAIN Policy: A Role for Labor

Flawed as it may, GAIN is politically popular and legally mandated. "GAIN is in, voluntary is out," as one welfare department employee succinctly stated. Organized labor, thus, has an interest as well as a responsibility in reshaping GAIN policy. Unions led by the locals who represent the public employees who carry out the GAIN program, should promote a voluntary training and placement program that does not displace workers. At the same time, training programs should be encouraged which emphasize skills that the participant will be able to use to support her family and work her way up the employment ladder.

A beginning step in this direction has been taken by SEIU Local 535's collective bargaining proposals. The union seeks to protect public employees from loss of jobs and overtime while defining GAIN trainees as regular employees, who are owed the same wage and benefits as other equivalent workers. The language states that "in the event the funding program does not permit the payment of wages and/or fringe benefits" the union may represent the GAIN trainees in negotiations. The GAIN program provides public employee unions with an imperative, to organize GAIN participants as workers owed the same rights as all other public employees.

Though this language has not yet been negotiated into a contract, it exemplifies a positive response organized labor could take toward workfare programs like GAIN: an active role protecting public employees from displacement while promoting the rights of an emerging group of new workers.

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