

## A comparative review of workfare programmes in the United States, Canada and Australia

FLETCHER, Del <<http://orcid.org/0000-0002-9569-3203>> and CRISP, Richard <<http://orcid.org/0000-0002-3097-8769>>

Available from Sheffield Hallam University Research Archive (SHURA) at:

<http://shura.shu.ac.uk/27106/>

---

This document is the author deposited version. You are advised to consult the publisher's version if you wish to cite from it.

### Published version

FLETCHER, Del and CRISP, Richard (2008). A comparative review of workfare programmes in the United States, Canada and Australia. Project Report. Department for Work and Pensions.

---

### Copyright and re-use policy

See <http://shura.shu.ac.uk/information.html>

**Department for Work and Pensions**

**Research Report No 533**

# **A comparative review of workfare programmes in the United States, Canada and Australia**

**Richard Crisp and Del Roy Fletcher**

A report of research carried out by CRESR on behalf of the Department for Work and Pensions

© Crown Copyright 2008. Published for the Department for Work and Pensions under licence from the Controller of Her Majesty's Stationery Office.

Application for reproduction should be made in writing to The Copyright Unit, Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ.

First Published 2008.

ISBN 978 1 84712 445 6

Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other Government Department.

# Contents

Summary .....	1
1 Introduction .....	3
2 Locating workfare in welfare-to-work programmes .....	5
3 The US experience .....	7
3.1 The national impact .....	7
3.2 The local impact .....	9
3.2.1 New York City: The Work Experience Programme .....	9
3.3.2 Wisconsin: Wisconsin Works (W-2) .....	10
3.3.3 Washington State: The WorkFirst Programme .....	11
3.3.4 Vermont: The Community Service Employment Programme.....	12
4 The Canadian experience .....	13
4.1 The national impact .....	13
4.2 The local impact: Ontario Works .....	13
5 The Australian experience .....	15
5.1 The national impact .....	15
List of figures	
Figure 2.1 Pathways to workfare .....	6



# Summary

This report examines the impact of workfare schemes that **mandate participation in unpaid work activities as a condition of receiving social assistance ('work for benefits')**. It reviews the evidence from three countries that operate workfare schemes: the United States (US), Canada and Australia. The report finds that **there are few systematic evaluations that isolate the impact of workfare from other elements of welfare-to-work programmes** such as compulsory job search activities. The limited evidence that does exist on workfare indicates that:

- **Effectiveness in reducing welfare caseloads**
  - **Dramatic reductions in welfare caseloads in the US and Canada cannot be attributed to workfare alone.** Other elements of welfare reform such as intensive job search requirements and time limits on claiming have contributed to falling caseloads whilst economic growth has also enabled recipients to find work.
  - Workfare has a deterrent effect which stops people claiming or encourages them to leave welfare before the workfare phase. This makes it harder to measure the tangible outcomes of welfare.
  - **The proportion of welfare recipients engaged in workfare is low** in all three countries studied, even in the US which has the most extensive and well-established workfare programme.
- **Effectiveness in improving employment outcomes**
  - **There is little evidence that workfare increases the likelihood of finding work.** It can even reduce employment chances by limiting the time available for job search and by failing to provide the skills and experience valued by employers.
  - **Subsidised ('transitional') job schemes that pay a wage can be more effective** in raising employment levels than 'work for benefit' programmes.
  - **Workfare is least effective in getting people into jobs in weak labour markets** where unemployment is high.
  - **Levels of non-participation in mandatory activities are high** in some workfare programmes.

- Effectiveness for clients with multiple barriers
  - Workfare is least effective for individuals with multiple barriers to work.
  - Welfare recipients with multiple barriers often find it difficult to meet obligations to take part in unpaid work. This can lead to sanctions and, in the most extreme cases, the complete withdrawal of benefits that leaves some individuals with no work and no income.
  - Some states in the US have scaled down large-scale, universal workfare programmes in preference for 'softer' and more flexible models that offer greater support to those with the most barriers to work. This includes a greater reliance on subsidised jobs that pay wages rather than benefits to participants.

# 1 Introduction

This report focuses on **workfare schemes that mandate participation in unpaid work activities in the public, private or 'not-for-profit' sector as a condition of receiving benefits**. These workfare activities are sometimes referred to as **'unpaid work experience', 'community service' or 'work for benefits'**. Most workfare programmes have two explicit aims: to improve the employability and 'work habits' of participants and to enforce the reciprocal responsibilities of those receiving social assistance through taking part in activities of benefit to the wider community.

The report addresses the impact of workfare in the US, Canada and Australia in terms of:

- the design and coverage of national and state-level workfare schemes;
- the ability of workfare to raise the incomes and employment levels of participants;
- the effectiveness of workfare in helping individuals with multiple barriers to work in finding employment.

The primary focus of this report is on workfare in the sense of unpaid work experience ('work for benefits') but, where relevant, it also considers the impact of subsidised job schemes (known as 'transitional jobs'). These differ from workfare in paying a wage for participation in work activities in the private, public or not-for-profit sector, usually in temporary placements. This provides an opportunity to compare the impact of workfare with an alternative approach.

The remaining chapters of the report are structured as follows:

- **Chapter 2** outlines the key features of workfare and highlights its role in wider welfare-to-work programmes;
- **Chapters 3 to 5** review the impact of workfare in the three countries profiled, considering both the national and the local impact of workfare schemes.



Most of the evidence presented in this report draws upon evaluations of workfare programmes. The predominant focus on the US is a reflection of the larger body of research which exists for US workfare schemes compared to programmes in Canada and Australia. It is important to **note that the evidence on workfare is limited**. Most research tends to evaluate welfare-to-work programmes in their entirety without isolating the impact of the workfare component. Even in the US, there has been no systematic research into the impact of workfare since 1993<sup>1</sup>.

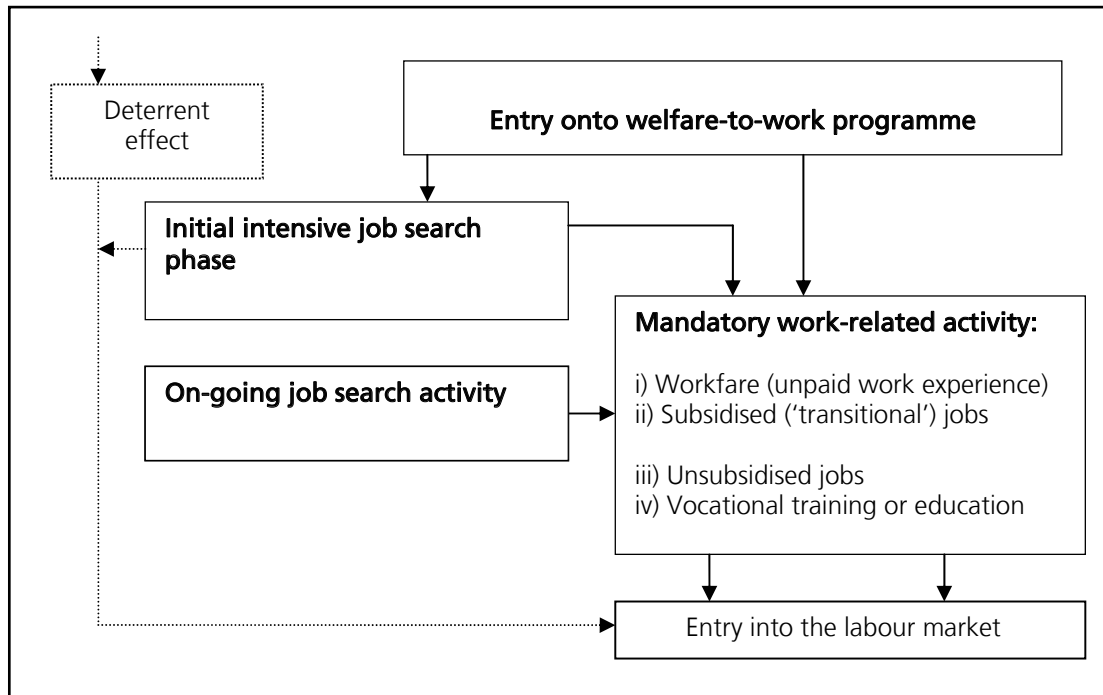
## 2 Locating workfare in welfare-to-work programmes

Workfare is one of a number of work-related activities that may feature within broader welfare-to-work programmes. These include:

- **Workfare:** 'Work for benefits', with participants required to engage in unpaid work experience as a condition of receiving social assistance.
- **Subsidised employment:** 'Work for wages', with participants paid directly by employers (usually subsidised by re-directing benefit payments directly to the employer).
- **Unsubsidised employment:** Welfare recipients enter work but remain eligible for benefits to top up low wages.
- **Vocational or educational activities.**

Participation in one of these activities often becomes mandatory after an initial period of intensive job search activity. Both workfare and subsidised employment typically consist of short-term placements in the private, public or not-for-profit sector. These placements are usually combined with obligatory, on-going job search. Workfare may also have a **deterrent effect** by encouraging individuals to seek work without claiming welfare or to leave the programme before the mandatory work phase. The various pathways to workfare are summarised in Figure 2.1.

Figure 2.1 Pathways to workfare



This report reviews the evidence on two elements of mandatory work-related activity: workfare and unsubsidised jobs.

## 3 The US experience

In the US, most states operate workfare schemes as part of their obligations under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), introduced in 1996. This established Temporary Assistance for Needy Families (TANF) as the core welfare programme for families with dependent children under the age of 18. Under TANF, all states are subject to a **work participation requirement** to engage at least 70 per cent<sup>2</sup> of its welfare population in work-related activities for at least 30 hours a week. As TANF programmes are designed and implemented at state level, there is considerable variation in the scope and nature of workfare programmes across the US.

### 3.1 The national impact

The US has experienced **dramatic falls in welfare caseloads** with the number of recipients falling over 50 per cent from 4.6 million families in 1996 to 2.1 million in 2002<sup>3</sup>. This cannot be attributed to the impact of workfare alone, however, as the **number of TANF recipients engaged in workfare has been consistently low**. Despite the expectation that PRWORA would lead many states to develop large mandatory workfare schemes, few have done so. In 2002, only 40,000 TANF recipients were enrolled in mandatory work experience programmes in any given month, with two-thirds of them in just four states – New York, New Jersey, Illinois and Ohio<sup>4</sup>. As of 2006, only seven states had 25 per cent of TANF recipients engaged in workfare<sup>5</sup>. This is partly a consequence of the **caseload reduction credit** that reduced the work participation requirements of states by one per cent for every one per cent fall in the numbers claiming welfare. In 21 states, falling caseloads completely offset the work participation requirement and only 11 states had to engage more than ten per cent of TANF recipients in work activities. Other factors constraining the development of large-scale workfare schemes included administrative complexity, cost and political opposition<sup>6</sup>.

To date there has **only been one national review of the impact of workfare** conducted by the Manpower Demonstration Research Corporation (MDRC) in 1993<sup>7</sup>. This synthesised the results of previous MDRC evaluations that used surveys and experimental research designs to assess the impact of nine workfare schemes

(known as Community Work Experience Programmes (CWEPs)) across seven states. The report highlighted **low levels of participation in workfare** with less than six per cent of all welfare recipients involved in all but one of the programmes studied. This was attributed to participants being directed to job search activities rather than unpaid work experience. A survey of program supervisors also revealed a **tendency to exempt clients with multiple barriers to work** such as low levels of literacy, a lack of transportation, limited access to childcare or physical and emotional problems. Supervisors felt it was not beneficial to impose mandatory workfare obligations on clients unlikely to fulfil these requirements.

Most significantly, the MDRC report found *'little evidence that unpaid work experience leads to consistent employment or earnings effects'* among those engaged in workfare compared to control groups of non-participants. Three explanations were given for these limited outcomes:

- **clients with multiple barriers did not benefit from unpaid work placements** because workfare programmes did not provide the support necessary to address their needs;
- the emphasis on unpaid work at the expense of job search activity made it **difficult for clients to capitalise on their experience and obtain paid work**;
- **workfare was least effective in weak labour markets**. The West Virginia CWEP had one of the highest proportions of welfare recipients in workfare programmes but was least successful in raising employment levels because unemployment levels of 18 per cent in the early 1980s constrained the possibilities for finding work.

The MDRC research did find, however, that **participants felt it was fair to work in return for receiving benefits and that the work they performed was meaningful**. Over 80 per cent also agreed that unpaid work placements increased their employability and would help them get a decent paying job later.

Since the publication of the MDRC study in 1993, there have been no national evaluations of workfare. A report by the General Accounting Office (GAO)<sup>8</sup> in 2000, reviewing nine workfare programmes, noted that while states monitored employment outcomes for all welfare recipients, none collated data for **only those engaged in workfare**. This meant that falls in welfare caseloads could not be attributed to workfare alone. **Other components of welfare-to-work programmes as well as a growing economy could also have contributed to falling levels of welfare receipt**. The GAO report also cited evidence based on conversations from worksite administrators that **levels of non-participation among welfare recipients mandated to take part in workfare activities was high**. This claim is supported by other research showing that levels of non-participation reached 50 per cent at some work experience sites<sup>9</sup>.

## 3.2 The local impact

The four states profiled in this section reflect the considerable variation in the scale and design of workfare. New York and Wisconsin offer prime examples of large-scale, universal workfare programmes that have attracted considerable attention for their tough sanctions regime, although **recent moves towards 'softer' forms of workfare suggest a change of direction**. By contrast, both Washington State and Vermont operate subsidised job schemes that pay wages rather than benefits to participants. The **success of these subsidised job programmes** compares well with the less favourable outcomes for conventional workfare programmes.

### 3.2.1 New York City: The Work Experience Programme

New York City implemented a large municipal workfare scheme called the Work Experience Programme (WEP) in the 1990s. Though initially for General Assistance recipients (able-bodied individuals without children), it was later extended to all TANF recipients. Participants are required to work three days a week, with the remaining two devoted to job search activity<sup>10</sup>. The most common placements include sweeping streets and cleaning public buildings and parks, although some administrative work is available. The work is unpaid and failure to engage in mandatory activities leads to benefit sanctions.

**WEP is the largest workfare scheme in the US** with the number of participants peaking at over 30,000 in 1996, although this declined to 17,000 by 2001. During the same period, welfare caseloads fell by 26 per cent. However, the evidence suggests **the programme has had a limited impact on employment outcomes** with Human Resources Administration (HRA) records showing that only five per cent of WEP participants found jobs<sup>11</sup>. WEP has also been criticised for limiting the time available for job search, with work placements taking up every weekday morning<sup>12</sup>. There is also evidence that **caseload reductions are partly the result of sanctions off benefits rather than entry into unsubsidised work**<sup>13</sup>. A GAO report<sup>14</sup> cited concerns from legal advocates in New York *'that many people in need of assistance may have left TANF rolls or received reduced grants because they did not want to, or could not, perform the assigned work and that some of these families may move more deeply into poverty without the aid they need'*.

This has prompted a shift towards a less punitive model, particularly for individuals with multiple barriers to work. **The use of unpaid WEP placements as the sole form of work-related activity has decreased dramatically**. While 75 per cent of welfare recipients were involved in unpaid work experience without access to any additional support in 1996, this had fallen to 12 per cent in 2001. Most participants now combine placements with involvement in programmes providing services to those with special needs such as substance abuse, mental health or literacy problems<sup>15</sup>. This includes the Personal Inroads to Individual Development and Employment (PRIDE) programme for individuals with mental or physical health problems. The development of these programmes is an explicit recognition that **basic workfare programmes have not provided clients with multiple barriers with the additional support they need to find employment**.

New York City has also increased the number of wage-paying subsidised jobs available to welfare recipients relative to unpaid work experience placements. This shift was prompted by a recognised need to provide less punitive forms of activity for recipients reaching federal time limits as the job market tightened in the 2001/02 recession<sup>16</sup>. The New York Parks Department redesigned its programme accordingly so that work placements consisted of both WEP positions and newly-created subsidised jobs made available through the Parks Opportunity Program (POP)<sup>17</sup>. In May 2003, there were only 1,000 unpaid WEP placements compared to 1,800 paid POP placements with the number of POP placements set to increase further. **This highlights a shift away from a strict, 'one-size-fits-all' workfare programme towards a more diverse model that provides additional support for clients with multiple needs and increasingly seeks to reward participants with wages rather than benefits.**

### 3.2.2 Wisconsin: Wisconsin Works (W-2)

The Wisconsin Works (W-2) welfare-to-work programme is one of the most studied in the US because the 80 per cent fall in welfare caseloads in the decade to 2000 is among the highest achieved by any state<sup>18</sup>. Wisconsin also has the highest proportion of welfare recipients in workfare with over 40 per cent participating in unpaid Community Service Jobs (CSJs) in 2002<sup>19</sup>. The underlying rationale of placements is to develop 'work habits and skills' and to make receipt of public assistance contingent on performing work that is also seen to benefit the wider community<sup>20</sup>. CSJs consist of unpaid work experience in one of five categories of worksites: (1) thrift store work; (2) office and customer service work; (3) care work involving adults or children; (4) light industrial and housekeeping work; and (5) vocational training. These placements are one of four 'tiers' of work-related activity that can be mandated within W-2:

- 1: **Unsubsidised employment.**
- 2: **Subsidised employment** in three month work placements that pay the minimum wage (Trial Jobs).
- 3: **Unpaid work experience (workfare)** in Community Service Jobs.
- 4: **Supported work or work-related activities** (including drug/health treatment) for individuals with multiple barriers (known as W-2 Transition).

A recent report<sup>21</sup> claims that **substantial caseload reductions in Wisconsin cannot be attributed to workfare alone** for two reasons: Firstly, W-2 is designed to divert individuals into work before they reach the workfare phase and this makes attribution difficult. Secondly, economic growth accounted for some of the increase in employment levels. The report also cites evidence that **participation in W-2<sup>22</sup> does not lead to sustained employment in unsubsidised work for the majority of participants**. Although between one-half and two-thirds of leavers found unsubsidised work at some point in each of the three years after welfare, **less than half were continuously employed in this period**. It also estimates that in 1997 approximately half of those leaving W-2 had incomes below the

poverty line, while nearly 20 per cent of leavers received no income at all from earnings. **Non-participation in workfare** is also high with a separate evaluation of W-2 in Milwaukee County<sup>23</sup> citing estimates that the absence rate varied from 30-70 per cent across worksites.

Recent developments indicate that **Wisconsin is scaling back its basic workfare programme**. In April 2008, the state governor, Jim Doyle, announced a transitional jobs pilot called 'Real Work for Real Pay' (RWRP) that will place W-2 participants in *'real jobs, where they can earn a pay check, gain work experience and develop the skills needed to remain employed and become self sufficient'*. RWRP participants will receive a wage from the employer and intensive job coaching and on-site support for an average of four months. When the wage subsidy ends, the employer is expected to retain the RWRP participant as an unsubsidised employee.<sup>24</sup> Unlike the Trial Jobs component of W-2 which only offered employers \$300 to provide subsidised work placements, employers will now be recompensed for the **full** costs of providing placements<sup>25</sup>. With both New York and Wisconsin replacing some workfare placements with subsidised jobs, there is a **discernible shift away from more punitive, universal 'work for benefits' models towards schemes where recipients are paid a basic wage**.

### 3.2.3 Washington State: The WorkFirst Programme

Washington State is unique in evaluating the impact of participation in workfare relative to other mandatory TANF activities within its WorkFirst welfare-to-work programme. This 'WorkFirst Study'<sup>26</sup> surveyed 3,000 families in March 1999 to measure the employment and earnings outcomes for participants undertaking unpaid work experience (workfare) compared to those in subsidised 'Community Jobs' (CJs). These CJs were introduced in 1998 for individuals with multiple barriers to work who have received benefits for 24 months. Participants must work up to twenty hours a week for nine months but are supported through an intensive case management approach that helps them to cope with the demands of the job. Clients are also required to enrol in a complementary activity such as basic education or substance abuse or treatment for an additional 20 hours a week.

**The WorkFirst survey data showed that subsidised CJs generated far better outcomes than unpaid work experience.** Workfare placements increased employment by only 13 per cent compared to 33 per cent for those in CJs, whilst workfare increased the quarterly earnings of participants by only \$45 in the year following placements in contrast to a \$792 increase for those who had been engaged in CJs. These stark findings on the poor performance of unpaid work experience prompted the State Legislature and the governor to discontinue the workfare component of the WorkFirst programme<sup>27</sup>.

A separate survey of 1,100 CJ leavers found that 72 per cent left for unsubsidised employment, with 45 per cent of those leavers sustaining employment for the two years tracked. Overall, the average income of those who found work rose by 60 per cent<sup>28</sup>. Programme officials even reported<sup>28</sup> that the number of CJ slots was



insufficient to meet demand because the program lacked funding to provide the number of slots requested by welfare recipients<sup>29</sup>.

### 3.2.4 Vermont: The Community Service Employment Programme

Vermont's Welfare Restructuring Project (WRP) operated from 1994-2001 and required single parent welfare recipients to work after 30 months of cash assistance. Those who could not find an unsubsidised job were placed in a subsidised, minimum wage Community Service Employment (CSE) position. CSE positions were designed to look like 'real' jobs and, unlike workfare, participants received wages and qualified for in-work tax credits. Anyone turning down a CSE position had cash payments replaced by 'vendor payments' for housing, food and utilities.

An MDRC evaluation<sup>30</sup> found that CSE jobs were rarely used with only two per cent of the 3,000 single parents studied working in a CSE position within four years after beginning a claim. Employment outcomes for the limited number of participants were favourable, however, with 51 per cent employed in an Unemployment Insurance (UI)-covered job either in the first quarter or second quarter since beginning their the CSE placement.

The MDRC evaluation also found that participants in CSE jobs were largely positive about the scheme. A significant majority (89 per cent) considered it fair to be required to carry out a CSE assignment, while two-thirds agreed their position seemed like a 'real' job. In addition, 82 per cent agreed that their placement provided a good opportunity to get training or experience for future jobs. These findings indicate that **subsidised work placements were valued by participants**.

## 4 The Canadian experience

The Canada Health and Social Transfer (CHST) of 1996 replaced 50/50 cost-sharing of welfare costs between federal and provincial governments with block grants to provinces. This legislation also removed prohibitions on conditionality to enable provinces to develop workfare schemes as part of local welfare-to-work programmes. Whilst welfare receipt was not subject to time limits as in the US, most provinces moved to impose part or full sanctions for clients who did not meet work requirements.

### 4.1 The national impact

**Welfare caseloads have fallen significantly** in Canada, with employment rates for lone mothers increasing by 19 per cent between 1998 and 2003. The extent to which workfare contributed to this increase is not known, however, as no national evaluation has been conducted since the passage of welfare reform in 1996. A report published by Human Resources Development Canada in 2000 noted that *'the evaluation of welfare reform and labour market interventions has not received the same attention and funding in Canada that it has in the United States'*<sup>31</sup>. There is a similar lack of evaluations of workfare at a provincial level<sup>32</sup> with the exception of the Ontario Works (OW) programme.

### 4.2 The local impact: Ontario Works

OW was introduced in 1997 with a **work-first approach** that places minimal investment in human capital and privileges immediate and intensive job-search on the basis that 'any job is a good job'<sup>33</sup>. OW has three components including workfare (Community Placements), all of which are backed by sanctions for non-participation:

- **Employment Support:** a basic range of services (computers, faxes and telephones) to help participants look for work.
- **Employment Placement:** subsidised employment placements in the private sector for up to six months.

- **Community Placements:** unpaid work experience in non-profit agencies, the public sector and community and environmental groups for up to 70 hours a month.

By 2000, 69,000 welfare recipients were engaged in the workfare component – Community Placements – of OW<sup>34</sup>. These Community Placements are now the most intensively used stream, with a recent survey<sup>35</sup> finding 40 per cent of lone parents in the provincial capital, Toronto, engaged in mandatory unpaid work with volunteer organisations. This compared to 12 per cent involved in education and training and five per cent placed in unsubsidised jobs. **Following the implementation of OW, welfare caseloads fell dramatically** from 152,555 in 1998 to 70,107 in 2004 (a 54 per cent decrease), although this decline cannot be attributed to workfare alone. Sustained economic growth during the same period has also helped to raise employment levels<sup>36</sup>. Moreover, caseload reductions do not always reflect entries into work with **official figures on the destination of welfare leavers showing that only 60 per cent found employment**<sup>37</sup>.

There are no evaluations that isolate the impact of the workfare component of OW although some research examines outcomes for **all** OW participants. A 2001 survey of 804 former OW participants carried out by the Toronto Community and Neighbourhood Services<sup>38</sup> found that only 56 per cent left for jobs. Of those that found employment, **much of the work secured was short-term or low-paid**, with 30 per cent of leavers in temporary jobs, a further 30 per cent in part-time work and just over one-third of those entering employment earning less than \$10 an hour – widely accepted as the benchmark for the ‘working poor’. Qualitative research on OW participants in Toronto also showed that welfare recipients felt pressured to take poor-quality jobs that were either detrimental to long-term labour market prospects or unrealistic given personal barriers<sup>39</sup>. Some of those who found jobs also claimed they experienced extreme financial difficulties and job insecurity.

## 5 The Australian experience

Australia introduced a national workfare programme – Work for the Dole (WfD) – in 1997 that mandated unpaid work experience for 18-24 year-olds who had been unemployed for six months. The scheme was later extended to all jobseekers under 50. Participants work for up to six months on community projects run by councils, charities and community organisations and receive a \$20 a fortnight supplement on their unemployment payments. Placements are made in organisations involved in heritage, the environment, arts, community care, tourism, sport and the provision, restoration and maintenance of community services and facilities. Whilst WfD is designed to improve participants' employability and 'work habits' and provide work of tangible value to the local community, it does not explicitly aim to improve employment outcomes. The emphasis is on fulfilling reciprocal responsibilities (known as 'Mutual Obligation') rather than enhancing employment prospects.

### 5.1 The national impact

By 2002, over 170,000 people had undertaken WfD placements and an official net impact study showed that participation raised employment outcomes by seven per cent compared to a control group of non-participants<sup>40</sup>. However, other research found that **WfD was ineffective in helping participants find sustainable employment with only one-quarter in work three months after leaving the programme and 14 per cent employed in full-time jobs<sup>41</sup>**. The report compared these outcomes unfavourably with previous welfare-to-work schemes such as Jobstart and Jobskills that placed 59 per cent and 41 per cent in work, respectively. The scheme also appears to have had **little impact on very long-term unemployment** (over five years) which grew by 68 per cent from 75,000 to 127,000 between 1999 and 2004.

WfD has also been criticised for reducing the time available for jobsearch. A quasi-experimental study<sup>42</sup> of WfD found that **participants were less likely to find work than a control group because unpaid work experience placements had a 'chilling' effect on job search activity**. The programme has also faced criticism for not providing participants with the skills and experience necessary to gain employment. WfD is designed so that workfare placements

do not replicate private sector employment to avoid displacing existing jobs. An OECD report noted that this *'favours unskilled work with little opportunity for training which may impede integration of the unemployed into gainful work'*<sup>43</sup>. Qualitative research with WfD participants also showed that many resented being compelled to do work they did not enjoy and that did not equip them with the skills they needed to find work<sup>44</sup>.

**Recent developments indicate that the new Rudd administration will relax the rules governing participation in WfD.** Whilst the government did not scrap WfD as expected in the May 2008 budget, they announced their intention to make participation mandatory after 18 months rather than the current six months. More money will be also provided for engaging the unemployed in training before they reach the 18-month limit and to help the most disadvantaged jobseekers find work<sup>45</sup>.

Additional research claims that the **tough sanctions regime underpinning WfD and other Australian labour market programmes may have a detrimental effect on labour market prospects.** In 2000/01 alone, a total of 350,000 penalties were imposed that *'counterproductively diminishe[d] many jobseekers prospects of finding employment'*, with the burden falling disproportionately on young people and indigenous Australians<sup>46</sup>.

## Notes

- <sup>1</sup> See Brock, T., Butler, D. and Long, D. (1993) *Unpaid Work Experience for Welfare Recipients*, MDRC Working Paper, September 1993.
- <sup>2</sup> This was increased from 50 per cent when TANF was reauthorised in 2005.
- <sup>3</sup> Kissane, R.J. and Krebs, R. (20007) 'Assessing Welfare Reform, Over a Decade Later' in *Sociology Compass*, Vol. 1 (2), pp. 789-813.
- <sup>4</sup> Finn, D. and Simmonds, D. (2003) *Intermediate Labour Markets in Britain and an International Review of Transitional Employment Programmes*. London: DWP.
- <sup>5</sup> National Employment Law Project (2006) *Limiting State Workfare Programs Under the New Federal TANF rules*. New York: NELP.
- <sup>6</sup> Finn, D. and Simmonds, D., op. cit.
- <sup>7</sup> Brock, T. et al., op. cit.
- <sup>8</sup> General Accounting Office (2000) *Welfare Reform: Work-Site-Based Activities Can Play an Important Role in TANF Programs*, (GAO/HEHS-00-122).
- <sup>9</sup> LaDonna, P., Derr, M., Anderson, J., Trippe, C. and Paschal, S. (2000) *The Role of Intermediaries in Linking TANF Recipients with Jobs*, Mathematica Policy Research, Inc., for the Office of the Assistant for Planning and Evaluation, HHS. Washington: HHS.
- <sup>10</sup> Cohen, M. (1998) 'Work Experience and Publicly-Funded Jobs for TANF Recipients' in *Issue Notes*, Welfare Information Network, Vol.2 (12).
- <sup>11</sup> Evans, M. (2001) *Welfare to work and the organisation of opportunity: Lessons from abroad*, CASereport 15. London: LSE.
- <sup>12</sup> Evans, op. cit.
- <sup>13</sup> Evans, op. cit.
- <sup>14</sup> GAO, op. cit..
- <sup>15</sup> Finn, D. and Simmonds, D., op. cit.
- <sup>16</sup> Finn, D. and Simmonds, D., op. cit.
- <sup>17</sup> POP was modelled on an earlier subsidised job scheme known as Parks Career Training (PACT) introduced in 1994 in New York City. It was a voluntary scheme credited with training over 5,000 participants and placing nearly 2,000 of these in full-time and seasonal jobs. An evaluation of PACT in 1996 found that 40 per cent of participants obtained regular full-time jobs in 1996 compared to 10-15 per cent of WEP participants moving into jobs (Source: Finn, op. cit.)
- <sup>18</sup> Nightingale, D.S. and Mikelson, K.S. (2000) *An Overview of Research Related to Wisconsin Works (W-2)*. Washington: The Urban Institute.

- <sup>19</sup> Robles, A., Dolittle, F. and Gooden, S. (2003) *Community Service Jobs in Wisconsin Works: The Milwaukee County Experience*. New York: Manpower Demonstration Research Corporation.
- <sup>20</sup> Robles, A. *et al.*, op. cit.
- <sup>21</sup> Nightingale, D.S. and Mikelson, K.S., op. cit.
- <sup>22</sup> This includes leavers from all four tiers of work-related activity and not just the CSJ workfare component (Source: Nightingale, D.S. and Mikelson, K.S., op. cit.).
- <sup>23</sup> Robles, A. *et al.*, op. cit.
- <sup>24</sup> State of Wisconsin Department of Workforce Development press release, *Governor Doyle announces W-2 pilot project*, 17 April 2008, available at: [http://dwd.wisconsin.gov/dwd/newsreleases/2008/0417\\_w2\\_real\\_wrk\\_pilot.pdf](http://dwd.wisconsin.gov/dwd/newsreleases/2008/0417_w2_real_wrk_pilot.pdf) [accessed 01 June 2008].
- <sup>25</sup> A recent evaluation of W-2 reported that few participants had been placed in Trial Jobs as employers felt the \$300 monthly subsidy they received was insufficient to meet the costs of providing placements. See Legislative Audit Bureau (2005) *An Evaluation: Wisconsin Works (W-2) Program*. Report 05-6, April 2005. Wisconsin: Legislative Audit Bureau.
- <sup>26</sup> Klawitter, M.M. (2001) *Effects of WorkFirst activities on employment and earnings*. Seattle: Daniel, J. Evans School of Public Affairs, University of Washington.
- <sup>27</sup> NELP, op. cit.
- <sup>28</sup> Finn, D. and Simmonds, D., op. cit.
- <sup>29</sup> General Accounting Office (2001) *Moving Hard-to-Employ Recipients into the Workforce*, GAO-01-368. Washington DC: GAO.
- <sup>30</sup> Sperber, L. and Bloom, D. (2002) *An analysis of Vermont's Community Service Employment Program*. New York: Manpower Demonstration Research Corporation.
- <sup>31</sup> Human Resources Development Canada (2000) *Reconnecting Social Assistance Recipients to the Labour Market: Lessons Learned*. Ottawa: HDRC.
- <sup>32</sup> Herd, D. (2002) 'Rhetoric and retrenchment: 'Common Sense' Welfare Reform in Ontario' in *Benefits*, Vol. 34 (10), pp. 105-110.
- <sup>33</sup> Lightman, E., Mitchell, A. and Herd, D. (2005) 'Workfare in Toronto: More of the Same? A Research Note' in *Journal of Sociology and Social Welfare*, Vol. 32 (4), pp. 65-76.
- <sup>34</sup> Herd, op. cit.

- <sup>35</sup> cf. Evans, P. (2007) '(Not) Taking Account of Precarious Employment: Workfare Policies and Lone Mothers in Ontario and the UK' in *Social Policy and Administration*, Vol. 41 (1), pp. 29-49.
- <sup>36</sup> Evans, op. cit.
- <sup>37</sup> Herd, op. cit.
- <sup>38</sup> cf. Lightman *et al.*, op. cit.
- <sup>39</sup> Lightman, E., Mitchell, A. and Herd, D. (2005), 'One Year On: Tracking the Experiences of Current and Former Welfare Recipients in Toronto' in *Journal of Poverty*, Vol. 9 (4), pp. 5-25.
- <sup>40</sup> Department of Employment and Workplace Relations (2006) *Customised Assistance, Job Search Training, Work for the Dole and Mutual Obligation – A Net Impact Study*. Canberra: Commonwealth of Australia.
- <sup>41</sup> Australian Council of Social Service (2003) *Does Work for the Dole lead to work for wages?*, ACOSS INFO 223. New South Wales: ACOSS.
- <sup>42</sup> Borland, J. and Tseng, Y-P. (2003) *Does 'Work for the Dole' Work?*, Melbourne Institute Working Paper No. 14/04. Melbourne: University of Melbourne.
- <sup>43</sup> Cf. Martyn, T. (2006) *Training for work is more effective than Working for the Dole*. Sidney: UNIYA.
- <sup>44</sup> Warburton, J. and Smith, J. (2003) 'Out of the Generosity of Your Heart: Are We Creating Active Citizens through Compulsory Volunteer Programmes for Young People in Australia' in *Social Policy and Administration*, Vol. 37 (7), pp. 772-786.
- <sup>45</sup> The Australian, 18 months study before dole work, May 16th 2008, available at: <http://www.theaustralian.news.com.au/story/0,25197,23706536-5017014,00.html> [accessed 01 June 2008].
- <sup>46</sup> Marston, G. and McDonald, C. (2007) 'Assessing the policy trajectory of welfare reform in Australia' in *Benefits*, Vol. 15 (3), pp. 233-45.



