

Towards a Model of Policy Transfer

**An Examination of the British And
American Welfare-to-Work Systems:
Developments of the 1980s**

Ph.D.

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**In Memory Of My Grandfathers, Dr. David A. Dolowitz and Dr. Simon L.
Moskowitz: May Their Spirit And Work Continue.**

Abstract

In recent years political scientists have been discussing the process by which policies, ideas and institutions operating in one setting are transferred to another. While there has been a growing body of literature examining the process and utilising it to explain the development of public policies, few authors have attempted to construct a coherent model which researchers of comparative politics can use to inform their work. The first part of this thesis develops such a model.

After establishing the broad outlines of this model in the first section, I use it to re-interpret the development of the American and British welfare-to-work systems in sections two and three. Specifically, section two, examines the 1988 Family Support Act. This section illustrates how its development and internal elements can be better explained using the heuristic model of policy transfer developed in part one. The focus of this section is upon the process of internal policy transfer in which the programs and ideas originating in State welfare systems were utilised by Federal policy makers to inspire, design and justify the Act.

Section three extends the model to interpret the development of the British employment and training system in terms of both cross-national policy transfer and the transfer of past experiences and policies. Moreover, this section will demonstrate that, contrary to its statements, the British Government developed a complete welfare-to-work system. More importantly, for contemporary debates, the Government was inspired to develop a unique workfare system based on the hybridisation of ideas and programs contained in the American and Swedish workfare programs

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ABBREVIATIONS

AFDC	Aid To Families With Dependent Children
AFDC-UP	Aid To Families With Dependent Children Parent Program
AFSCME	American Federation of State and County Municipal Employees
APWA	American Public Welfare Association
BiC	Business in the Community
CBI	Confederation Of British Industry
CBO	Congressional Budget Office
CP	Community Programme
CQ	Congressional Quarterly
CSA	Child Support Agency (UK)
CSEA	Child Support Enforcement Agency (USA)
CSES	Child Support Enforcement System
CWEP	Community Work Experience Program
DE	Department of Employment (UK)
DHSS	Department of Health and Social Services (USA)
DSS	Department of Social Services (UK)
EAS	Enterprise Allowance Scheme
ES	Employment Service
ET	Employment Training Scheme
FAP	Family Assistance Plan
FSA	Family Support Act
GA	General Assistance
GAO	General Accounting Office
GROW	Greater Opportunities Through Work
IMF	International Monterey Fund
JPTA	Job Training Partnership Act
JOBS	Job Opportunity and Basic Skills Program
JTS	Job Training Scheme
LEC	Local Enterprise Company

MDRC	Manpower Demonstration Research Corporation
MSC	Manpower Service Commission
NAB	National Alliance of Business
NGA	National Governors Association
OBRA	Omnibus Budget Reconciliation Act
OECD	Organisation For Economic Co-operation And Development
PIC	Private Industry Council
PSBR	Public Sector Borrowing Requirement
SSAC	Social Security Advisory Committee
TC	Training Commission
TEC	Training and Enterprise Council
TEFRA	Tax Equity and Fiscal Responsibility Act
TUC	Trade Union Council
USDAG	Urban Development Action Grant
WIN	Work Incentive Program
YOP	Youth Opportunity Program
YT	Youth Training
YTS	Youth Training Scheme

Introduction

And

Overview

INTRODUCTION

In recent years there has been a growing body of literature dealing with the process by which one government learns from the actions and policies of other units of government. However, while there have been numerous studies describing this process and others which have used it to illustrate the development of a policy, there have been few attempts to organize this literature into a coherent model of policy development. In fact, even the nomenclature is disputed, as some scholars discuss lesson drawing, others policy convergence, still others policy transfer. It is essential to organize and illustrate the usefulness of this literature so that future students of politics are able to use it to interpret the development of national and international ideas, institutions and policies.

This thesis has three major aims. My first aim is to review the literature on policy transfer. My aim here is to organize and structure the concepts inherent within the literature into a coherent heuristic model of policy transfer. Students of politics will be able to use this model to interpret critically the development of various ideas and policies within and across national boundaries. In addition, the heuristic model of policy transfer I develop in part one should be capable of analyzing the development and creation of institutional structures.

My second aim is to use my reconstituted model to reinterpret the development and design of the American 1988 Family Support Act (PL 97-485) and the British welfare-to-work system. My first case study will illustrate how the model can be used to analyze and illustrate the key actors and processes involved in the development of a specific public policy and its various components. The second case study will deal with cross-national policy transfer. I will demonstrate how the Thatcher Government drew on the ideas and experience of the United States in the development of the British welfare-to-work system. Subsequently, I will show both how the actual policies and ideas used to build the British welfare-to-work system were drawn from the American and Swedish welfare-to-work systems and how past ideas and legislation were selectively used in this process. Moreover, in this process I will demonstrate how the Government utilized its understanding of the ideology and operation of American 'workfare' programs to inspire its development of a uniquely

British version. Finally, I will conclude this case study by utilizing my model of policy transfer to reinterpret the Thatcher Government's development of four welfare institutions: Job clubs; Employment Service; Training and Enterprise Councils and Local Enterprise Companies; and finally the Child Support Agency.

My third aim is to identify some of the problems of the existing policy transfer literature and studies, including my own, to suggest some of the possible way forward for future studies.

I. WHY IS THIS STUDY IMPORTANT?

There are four key reasons why this study is important. First, the theory of policy transfer needs to be developed and utilized so others see its usefulness in analyzing the development of public policy. Secondly, while scholars say it is happening they do not actually examine the process. Third, there have been few studies examining the development of the British and American welfare systems from a comparative perspective and those which do, do not use a policy transfer prospective, which as we shall see is very productive. Finally, there is a growing body of literature stressing the ideological similarities between the Reagan Administration and Thatcher Government but few analyze how these similarities lead to similar policies being adopted.

A. Develop The Theory

While several scholars, particularly, Richard Rose, Colin Bennett and Harold Wolman, are developing models of how ideas and policies used in one setting can influence the development of others, they have not attempted to offer a more inclusive model.¹ Moreover, beyond Colin Bennett's studies of data protection, none of the studies utilizing a policy transfer or related concepts methodically apply this model to the development of policies or institutions. In order to show that the model is useful

¹While different, it is arguable that Richard Rose's model is as inclusive as the one I will develop in Chapter 1. See: R. Rose, Lesson Drawing in Public Policy, (NJ: Chatham House, 1993).

we need to develop an organized and coherent framework which is then used in a carefully structured study. This process should also lead to ways of advancing the model beyond its current confines and uses, thus linking it into the wider field of theoretical and political studies.

B. Numerous Authors Use It But Don't Know It

Associated with the need to develop and demonstrate the usefulness of the literature is the fact that numerous authors discuss policy transfer without knowing it. Moreover, when they discuss the transfer of ideas and policies from one system to another they make broad generalizations without any supporting evidence.² For example, in her comparative historical study of the British welfare system, Anne Digby argued:

The shift to a more restrictionist model of welfare under the Thatcher ministries has too often been discussed in Britain as if it were a purely national phenomenon...The influence on British practice of social policies initiated by neo-liberals in the USA has become increasingly plain, not least because reforming initiatives are often accompanied by ministerial fact-finding visits across the Atlantic.³

This quote clearly highlights the importance of examining the developments of the British social security system from a policy transfer perspective. However, while Anne Digby suggests that the process involves policy transfer she does not develop these concepts within her study. Moreover, she fails to provide any support for assertions such as: “employment policy in Britain have suggested that it has learned from Sweden.”⁴

²For an example see: D. King, Actively Seeking Work (Chicago: University of Chicago Press, 1995); N. Ginsburg, Divisions of Welfare (London: Sage, 1992).

³A. Digby, British Welfare Policy: Workhouse To Workfare (London: Faber and Faber, 1989), p. 100.

⁴A. Digby, British Welfare Policy, p. 24-25.

A well developed model of policy transfer will allow scholars to see and demonstrate the processes involved within their assertions.

C. More Comparison is Needed! Especially In Terms Of Comparative Welfare

While there have been a few comparative studies of the British and American welfare systems there has not been nearly enough work done in this field. Moreover, when scholars conduct comparative studies they tend to make broad generalizations which careful research show to be false. For example, it is commonly said that America's welfare system lags far behind Britain's. However, my study will demonstrate that this generalization is false. A more accurate description was provided by Norman Ginsburg:

Up to the 1980s, supporters of West European welfare state...saw the US welfare state developing to catch up with Western Europe. It is very important to discard such notions...The fact is that the US welfare state since the 1930s has been a viable, working model...which ranks alongside the European models in status and significance.⁵

By developing my model of policy transfer and applying it to a comparative study of the United States and Britain, I hope to add another tool to the arsenal available to social scientist engaging in comparative studies.

D. Similar Ideology Did Lead To Similar Policies

It has been argued that the ideological similarities between the Ronald Reagan and Margaret Thatcher lead them to pursue similar policies. For example, Desmond King introduces *The New Right* with the assertion:

⁵N. Ginsburg, Divisions of Welfare, p. 98.

This book is about the political and economic ideas which have influence the governments of Britain and the United States during the 1980s...there are sufficient similarities between recent British and American governing experience to justify a comparative study based on the shared assumptions and policy objectives evident in both the Thatcher and Reagan administrations.⁶

While interesting, these studies rarely examine the mechanism leading to the development of similar policies. More importantly, these studies also fail to examine why the shared ideological beliefs of Reagan and Thatcher led them to develop similar policies or even borrow policies from each other. I will illustrate both of these mechanisms in my study showing that a policy transfer framework can shed light on the accuracy of these broad assertions.

II. METHODOLOGY

Broadly, my study will follow the boundaries of comparative politics using a case study and focused comparison to illustrate how my model of policy transfer can be used to re-interpret the development of the British and American welfare systems during the 1980s.

A. Comparative Study

1. Case Study

While some authors argue that case studies are not truly comparative because they are designed to examine the development of a single country or institution, I am

⁶D. King, *The New Right* (Hong Kong: Macmillan, 1987), p. 1. For another examples of these assertions see: D. McAdam and D. Rucht, "Cross-National Diffusion of Movement Ideas," *Annals of the American Academy of Political and Social Science*, 528 (1993); A. Digby, *British Welfare Policy*.

going to use this approach to structure my study of the 1988 FSA.⁷ I classify my case study as involving the comparative method because I am going to apply its information to demonstrate where and how the Thatcher Government used the same programs and rhetoric to develop the British welfare-to-work system. Specifically, I am going use a case study to show that Congress and the administration relied on past federal legislation and State welfare-to-work programs to develop the 1988 FSA. More specifically, I am using what Lijphart classified as an interpretative case study approach combined with a theory informing case study.⁸ I am classifying my case study as interpretative because I am using my model of policy transfer to understand the development of the 1988 FSA. At the same time, my case study falls within the rubric of a theory-informing study because I am using it to interrogate my model of policy transfer in order to advance it into the broader field of political studies.⁹

2. Focused Comparison

As opposed to the single country approach I am adopting to examine the development of the 1988 FSA, I am going to use a focused comparison between a small number of countries to illuminate the development of the British welfare-to-work system. Specifically, I am going to concentrate my comparison upon the US and Britain, but where appropriate expand my study to include Sweden and Germany. In choosing to compare the US and Britain I am adopting the most similar approach because it reduces the number of explanatory variables available for the adoption of similar policies, thus making it possible to examine the importance of my key independent variable.¹⁰ I believe the need to illustrate the usefulness of my model is

⁷G. Sartori, "Compare Why and How: Comparing, Miscomparing and the Comparative Method," in M. Dogan and A. Kazancigil (eds.), Comparing Nations: Concepts, Strategies, Substance (London: Blackwell, 1994).

⁸A. Lijphart, "Comparative Politics and Comparative Method," American Political Science Review, 65 (1971), pp. 682-93.

⁹For more information see: T. Mackie and D. Marsh, "The Comparative Method," in D. Marsh and G. Stoker, Theory and Methods in Political Science (Basingstoke: Macmillan, 1995), pp. 173-188.

¹⁰I am classifying my study as most similar because: the historical connections; common liberal welfare ideology; the rise of neo-liberal ideological domination in the 1980s; and the economic situation in the United States and Britain all drew the Thatcher Government to the US. I highlight this because it is possible to argue that the US and Britain were not most similar because of the underlying differences within their welfare systems. Moreover, while the US has a federal system

more important than possible criticism that this approach is overly deterministic: “eliminating many rival explanations, leaving the researcher with no criteria for choosing among them.”¹¹

B. Why Comparative?

My focus on the US and Britain will also: help illuminate the literature on ‘Thatcherism’; dispel the belief that the American welfare system is somehow exceptional; and expand the study of British politics beyond the confines of its traditionally ethnocentric approach.

1. Need Comparison To Claim Exceptionalism

Since the early 1980s there has been a growing literature stressing the exceptional nature of the Thatcher Government.¹² However, as Mackie and Marsh argue: “Any claim that the Thatcher Governments were ‘exceptional’ can only be established by comparative analysis.” Moreover, as they stress much of this literature has a: “clear implication...that the Thatcher Governments were ‘exceptional’ in international terms.”¹³ A comparative study of the Reagan and Thatcher Administrations, clearly indicates that the Government was not exceptional in international terms, at least in regards to their welfare reforms.

2. American Exceptionalism

with a separation of powers at the federal level, Britain has a unitary system throughout its governing structure. See: M. Dogan and G. Pelassy, How to Compare Nations (Chatham, N.J.: Chatham House, 1990) and G. Esping-Andersen, The Three Worlds of Welfare Capitalism, (Cambridge: Polity, 1990).

¹¹For more information see: D. Collier, “Comparative Method,” in A. Finifter (eds.), Political Science: The State of The Discipline (Washington, D.C.: American Political Science Association, 1993), p. 111; A. Cochrane and J. Clarke, Comparing Welfare States: Britain in International Context (London: Sage, 1993).

¹²For examples see: A. Gamble, The Free Economy and the Strong State: The Politics of Thatcherism (Basingstoke: Macmillan, 1988); D. Kavanagh, Thatcherism and British Politics: The End of Consensus (Oxford: Oxford University Press, 1990); J. Moon, Innovative Leadership in Democracy: Policy Change Under Thatcherism (Aldershot: Dartmouth, 1993).

¹³T. Mackie and D. Marsh, “The Comparative Method,” p. 175

As previously discussed, most studies of the welfare state claim that the American welfare system is exceptional. By adopting a comparative prospective to apply my model of policy transfer I will be able to demonstrate this to be false. In fact I will show that America, the ‘world’s welfare laggard’ and Sweden, the ‘world’s leader’ have similar policies within their welfare systems.

3. Beyond Ethnocentrism

Closely associated with the discussions of the uniqueness of the Thatcher Government is what Richard Rose argues is: “The tradition of writing about British (or more properly, English) politics is to assert *uniqueness through false particularization*.”¹⁴ By examining the development of the British welfare-to-work system from a comparative perspective, my study will help overcome this failure of British political science. This will enable future studies to begin analyzing how the British welfare system is, and is not, unique in its design and function.

III. THESIS LAYOUT

My Ph.D. is divided into three sections. The first section is a critical review of the literature associated with policy transfer. This section will organize, develop and advance this literature into a workable heuristic model of policy transfer. Section two applies the model of policy transfer to a case study of the 1988 Family Support Act. Section three utilizes the model in an examination of cross-national policy transfer. Here I will demonstrate how the model can be used to advance our understanding of the Thatcher Government’s development of the Welfare system. In particular I will explain how the Government justified and designed a British welfare-to-work system,

¹⁴R. Rose, “Comparing Forms of Comparative Analysis,” *Political Studies*, XXXIX: 3 (1991), pp. 446-462, p. 450. Emphasis in original.

incorporating a unique workfare program, based on their understanding of the American and Swedish welfare-to-work systems. The thesis concludes with a discussion of some of the problems within the literature and suggests ways of developing the model to be more useful in the wider field of political science.

Chapter One

Policy Transfer

The Model

INTRODUCTION

This chapter reviews the literature on policy transfer, which is of two types. First, there are studies which do not use the concept, or associated ones, but throw considerable light on the process. Second, there is a growing body of material which either explicitly or implicitly, deals with the process of policy transfer. It is important to stress the first type of study because I am going to use such studies to develop the theoretical constructs within the explicit literature on policy transfer. Specifically, the aim of this chapter is to present a critical review of this literature to both introduce the topic and to contribute to its development.

I have organized this chapter around a series of questions explicitly or implicitly raised by the literature: What is policy transfer?; Who transfers policy?; Why is there policy transfer?; What is transferred?; Are there different degrees of transfer?; From where are lessons drawn?; How are lessons drawn?; and finally, what factors constrain policy transfer?

The subsequent chapters will then illustrate various aspects of the theoretical framework established within this chapter. Specifically, I will use the concepts developed in this chapter to reinterpret the development of the 1988 Family Support Act within the United States. After this I illustrate how these concepts can be used to reinterpret various aspects of the changes the Thatcher Government made to the British social security system, particularly in regard to the development of a British welfare-to-work system and its unique workfare component.

I. WHAT IS POLICY TRANSFER?

In the existing literature policy transfer, emulation and lesson drawing all refer to a process in which knowledge about policies, administrative arrangements, institutions etc. in one time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place. I do not believe that the difference in nomenclature is overly significant so throughout my Ph.D. I will refer to the overall process by which policy or institutions are transferred as policy transfer. I prefer this term, although it is not the one adopted by Richard

Rose in the most thorough and interesting review of the area to date¹. In my view, Rose's term 'lesson drawing' implies that political actors or decision makers in a given country draw lessons from one or more other countries which they then apply to their own political system. This focuses on 'voluntary' policy transfer which occurs as a result of the free choices of political actors; yet as I will demonstrate later an important category of policy transfer involves one government or supranational institution pushing, or even forcing, another government to adopt a particular policy. As such, policy transfer, as a term which can cover 'voluntary' and 'coercive' transfer, seems to be a more appropriate term. However, I will occasionally use the term lesson drawing because, in many cases, lessons are drawn from other places or times in the development policy or institutional change as will become clear throughout my case studies.

A. Historical Antecedents

The study of policy transfer emerged gradually as the broader area of comparative politics was slowly transformed. Before 1940 most comparative studies, like most studies of the politics of particular countries, focused on the formal institutions of the state. They were thus 'state-centered' and overly descriptive. During the 1940s such approaches became less fashionable and studies began examining how civil society interacted with the state. By the 1960s the focus was upon comparative 'political systems.' Specifically comparative analysis began to focus: "(on) all the factors which influence collective decisions, even those factors which are not formally part of the government."² As such, there was a growing interest in the comparative study of public policy as policy is the outcome of collective decision making in a political system.

As the field of comparative policy analysis emerged, a number of authors, notably Jack Walker, showed considerable interest in a process they termed

¹R. Rose, Lesson Drawing in Public Policy: A Guide to Learning across Time and Space (New Jersey: Chatham House, 1993).

²R. Hague, M. Harrop and S. Breslin, Comparative Government and Politics (Hong Kong: Macmillan, 1992), p. 33.

diffusion.³ These initial studies were not concerned with the specific content of the policies being transferred, but rather examined the timing and geographic patterns involved in the spread of an innovation; as such, they had a much narrower focus than later studies of policy transfer. As Wolman noted: “Diffusion studies examine the way in which policies spread across time and space and typically attempt to describe and account for the temporal order in which countries adopt similar policies.”⁴ In fact, most authors sought an explanation of diffusion in terms of: “geographical propinquity, the availability of resources, or the attributes of government.”⁵ As diffusion studies advanced the weaknesses of the approach emerged; so that by the 1980s a major critical review argued: “(The) major problem of this research tradition is that it reveals nothing about the content of new policies. Its fascination is with process not substance.”⁶ It was as a result of this perceived need to answer questions ignored by diffusion studies that comparative policy analysts began discussing lesson drawing and policy transfer.

Initially transfer studies focused primarily upon voluntary transfer, seeing the process as one in which policies implemented elsewhere were examined by rational political actors for their potential utilization within another political system.⁷ For example, Harold Wolman argues that policy transfer is about: “what one unit of government can learn from the experience of another unit of government.”⁸ However, more recently the literature has begun to address questions concerning coercive transfer. Particularly in relation to the role of supranational organizations. So for example, Albert Stragta illustrates the European Union as a ‘pusher’ of ideas and institutions on member States⁹

³J. Walker, “The Diffusion of Innovations Among the American States,” The American Political Science Review, 33: (1969), pp. 880-899.

⁴H Wolman, “Understanding Cross National Policy Transfers: The Case of Britain and the US”, Governance, 5: (1992), pp. 27-45, p.28

⁵Rose, Lesson-Drawing in Public Policy, p.52.

⁶J. Clark, “Policy Diffusion and Program Scope”, Publius, 15: (1985), pp. 61-70, p. 65.

⁷For different explanations of the process and its various elements see: G. Majone, “Cross-National Sources of Regulatory Policymaking in Europe and the United States,” Journal of Public Policy, 11:1 (1991). pp. 79-106.

⁸H Wolman, “Understanding Cross National Policy Transfers,” p.28

⁹A. M. Stagta (eds.), Euro-Politics (Washington, D.C.: Bookings Institute, 1992).

II. AGENTS OF POLICY TRANSFER

Given that policy transfer is a developing sub-field of comparative politics it is important to develop the internal elements involved in the process. In this section I am going to establish who engages in policy transfer. Specifically, the literature identifies 7 main categories of actors involved in policy transfer. However I want to stress that these actors are clearly not mutually exclusive and that in any specific case of transfer more than one category of actor is likely to be involved. The 7 categories are: elected officials; bureaucrats/civil servants; policy entrepreneurs; experts; political parties; pressure groups; and supra-national organizations.

A. Elected Officials

The most important group involved in policy transfer are elected officials. As Rose argues, elected officials are necessary for policy transfer because: “their values give direction to public policy and their endorsement is needed to legitimate the adoption of programs.”¹⁰ Heidenheimer, Heclo and Adams illustrate the importance of elected officials in numerous cross-national programs. For example, when comparing national health policies they found:

By 1974 American politicians comparing British and American physician distribution noted that in Britain 74 percent of the doctors were primary-care physicians and only 8 percent were in surgery, while in the United States’...about 47 percent of the physicians were in the primary-care specialties...and 24 percent were in surgery. As Senator Edward Kennedy asked: ‘why do we have the same number of neurosurgeons in Massachusetts...as they have in England. Why do we have twice as many operations...Could it be because we have twice as many surgeons.’¹¹

¹⁰Rose, *Lesson-Drawing in Public Policy*, p.52

¹¹Heidenheimer, Arnold L., Hugh Heclo and Cardyn Adams, *Comparative Public Policy* 3rd ed. (New York: St. Martins Press, 1990), p. 73.

In another study Robertson and Waltman found that: “Elected political leaders notice and legitimize foreign models, as did President Franklin Roosevelt when he took an active interest in Keynesian principles.”¹²

B. Bureaucrats/Civil Servants

A second key group involved in policy transfer is administrators/civil servants. Ernst Haas specifically emphasizes the increasing importance administrators play in policy transfer: “almost every agency of modern government has a stake in some aspect of international relations and maintains direct contact...with its opposite numbers.”¹³ Civil servants are key actors in the process because they occupy crucial roles in both the policy making and the implementation processes. In addition, during their careers they acquire links with officials in other bureaucratic agencies and groups. So, through the course of their careers, civil servants are able to gain the knowledge and resources necessary to transfer policies.

Wolman’s study of urban policy offers an excellent example of the role civil servants can play:

In 1978 a medium level civil servant from the Inner Cities Directorate of the Department of the Environment spent a year on an exchange program at HUD. Upon his return he wrote a report on UDAG (Urban Development Action Grants), recommending to his superiors the possible adoption of a British version [which was eventually adopted into policy].¹⁴

¹²D. Robertson and J. Waltman, “The Politics of Policy Borrowing”, paper presented to the APSA Annual Meeting, (Chicago, September 3-6, 1992), p. 7.

¹³E. Haas, “Why Collaborate? Issue-Linkage and International Regimes,” *World Politics*, 32: (1980), pp. 357-405, p.357

¹⁴H. Wolman, “Understanding Cross National Policy Transfers,” p.31.

C. Policy Entrepreneurs

Increasing emphasis has been paid to the role of policy entrepreneurs; people who are interested in a particular substantive area of policy and are willing to: “invest their resources-time, energy, reputation, and sometimes money, in the hope of a future return.”¹⁵ As Rose points out, policy entrepreneurs are not only important to lesson drawing because of their advocacy of lessons, but also because: “their concern with a special subject...leads them to build up a nation-wide or international network of contacts that are a source of ideas for new programs.”¹⁶ Rowat’s study of the growth in the number of Ombudsmen clearly illustrates the role of such policy entrepreneurs. Specifically, he argues:

There is no doubt that some of the ombudsmen themselves have been very influential in bringing about the further spread of the institution, particularly Professor Hurwiz of Denmark...and Sir Guy Powles of New Zealand, through their writing and speech-making foreign tours.¹⁷

In a more recent study, Bennett similarly demonstrates how a policy entrepreneur was influential in the spread of data protection legislation to Canada: “The 1973 Data Act had a more widespread impact because of the efforts of a single person, Jan Freese...who ensured that the Swedish approach was widely known.”¹⁸

D. Experts

I want to stress at the outset of this section that within the literature the distinction between policy entrepreneurs and experts is not clear-cut. However, to Richard Rose an expert is someone who has: “a core body of knowledge and skills

¹⁵J. W. Kingdon, Agendas, Alternatives, and Public Policies (US: Harper Collins Publishers, 1984), p.129.

¹⁶Rose, Lesson-Drawing in Public Policy, p.56

¹⁷D. C. Rowat, The Ombudsman Plan: Essays on World-Wide Spread of an Idea (London: McClelland and Stewart Limited, 1973), p.119.

¹⁸C. Bennett, Regulating Privacy: Data Protection and Public Policy in Europe and the United States (Ithaca, New York: Cornell University Press, 1993), p.124-125.

acquired through professional training and experience in applying principal and theories.”¹⁹ I am stressing the role of such experts, as opposed to entrepreneurs, because they interact in what Kingdon calls policy communities: “Policy communities are composed of specialists in a given policy area...In any one of these policy areas, specialists are scattered both through and outside of government.”²⁰ Moreover, as will be discussed below, policy communities, or in Haas’ terms epistemological communities, are often international and play a crucial role in the process of cross-national policy transfer.²¹

In fact, there is considerable evidence in the literature of the influence of these communities of experts. For example, Haas illustrates the importance epistemological communities had in the creation of environmental regulation producing a common pool of knowledge legislation and regulation concerning chemical hazards.²² Similarly, Colin Bennett emphasizes the importance of specialists in the adaptation of data protection policies, noting that one reason for the emergence of data protection internationally was that: “Members of this elite then convince their respective national governments of the extent of the problem and of the need for a solution.”²³

E. Political Parties

While the above actors were individual agents of policy transfer political parties are also constantly engaging in policy transfer. For example, in David Brian Robertson’s study of political conflict, *Political Conflict in Lesson-Drawing*, he carefully illustrates the role political parties played in US labor market policies during

¹⁹Rose, *Lesson-Drawing in Public Policy*, p.65.

²⁰J. W. Kingdon, *Agendas, Alternatives, and Public Policies*, p.123.

²¹E. Haas, “Why Collaborate? Issue-linkage and International Regimes,” *World Politics*, vol. 32: 3 (1980), pp. 357-405; P. Haas, “Do Regimes Matter? Epistemic Communities and Mediterranean Pollution Control,” *International Organization*, 43: 3 (1989), pp. 377-403.

²²P. Haas, “Banning chlorofluorocarbons: epistemic community efforts to protect stratospheric ozone,” *International Organization*, 46: 1 (1992), pp. 187-224. See also: P. Haas, “Do Regimes Matter?”; E. Haas, “Why Collaborate? Issue-Linkages and International Regimes,” *World Politics*, 32: 3 (1980), pp. 357-409.

²³C. Bennett, *Regulating Privacy*, p.127. See also John Campbell’s work on the importance of policy communities and transfer in Japanese policy making generally. Specifically, he asserts: “While there are many possible sources of new problem formulations and policy alternatives it appears that policy communities are particularly significant” J. Cambell, “Bureaucratic Primacy: Japanese Policy Communities in American Perspective,” *Governance*, 2: 1 (1989), p.15.

the 1960s and 1970s arguing that: “Battle lines are often quite clearly defined...A 1976 exchange between democratic...leaders...and Republican Representative...on the issue of full employment policy provides an unusually explicit example...[that] partisans use lessons selectively.”²⁴

It is important to stress that in the process of policy transfer parties tend to use lessons selectively. So for example, while analyzing the role political parties had in the development of social policies in Britain and Sweden, Hecló concludes:

While all parties have contributed to the subsequent development of social policy, by no means has the substance of these contributions been identical or randomly varied. Conservative parties in both nations can be found generally promoting a more strictly contributory system...the Labor parties on the other hand have historically placed major emphasis on immediate relief of need.²⁵

F. Pressure Groups

Pressure groups are also key actors involved in the process of policy transfer; with the better resourced and organized pressure groups constantly in contact with groups in other states and nations, exchanging ideas and drawing lessons from each other’s experience.²⁶ These ideas are then fed into the policy making process through governmental contacts and public pressure. Specifically, the political influence of powerful pressure groups give them a legitimacy which means that politicians and civil servants turn to them for information and “a source of ideas about how to change programs.”²⁷ Moreover, pressure groups may also act as the catalyst, forcing decision makers to search for lessons or act upon information they provide.

²⁴D.B. Robertson, “Political Conflict and Lesson Drawing”, *Journal of Public Policy*, 11: (1991), pp. 55-78, p. 59.

²⁵H. Hecló, *Modern Social Politics in Britain and Sweden* (New Haven: Yale University Press, 1974), p. 296. See also: D. Robertson, “Political Conflict and Lesson Drawing,”

²⁶For examples of this process see: D. McAdam and D.Rucht, “Cross National Diffusion of Movement Ideas”, *Annals of the American Academy of Political and Social Sciences*, 528 (July 1993), pp. 56-74.

²⁷R. Rose, *Lesson Drawing in Public Policy*, p.56.

In fact, the absence of an interest group may also effect the likelihood of policy transfer. Hoberg offers an interesting example arguing that, as far as environmental legislation was concerned, although the Canadian legislators were aware of the much tighter US legislation the absence of an interest group campaigning for change significantly reduced the chances of transfer. In Hoberg's words:

The presence or absence of activist is a key in determining if emulation is likely to occur...Canadian regulators had knowledge of the more aggressive American program, but no activist chose to make an issue of it, leaving regulators the freedom to ignore American developments.²⁸

G. Supra-National Organizations

A final sub-category involved in policy transfer are supranational organizations and regimes. As Rose argues:

Intergovernmental and international organizations encourage exchanges of ideas between countries...The European Community and OECD encourage exchanges among advanced industrial nations...and the World Bank and the United Nations agencies focus on programs of concern to developing countries.²⁹

Rose goes on to emphasize that the European Community: "promotes comparison...so that member states can become aware of what their competitors are doing and decide which elements of foreign programs they may wish to copy or

²⁸G. Hoberg, "Sleeping With an Elephant: The American Influence on Canadian Environmental Regulation", *Journal of Public Policy*, 11: (1991), pp. 107-132. p.127.

²⁹R. Rose, *Lesson Drawing in Public Policy*, p.105. See also: D. Robertson and J. Waltman, "The Politics of Policy Borrowing," especially p.7.

adopt.”³⁰ Similarly, Bennett found that international organizations were important actors transferring data protection policies.³¹

In fact, regimes are often discussed as the prime actors transferring policies across national boundaries. For example, Haas describes regimes as: “not simply static summaries of rules and norms; they may also serve as important vehicles of international learning that produce convergent state policies.”³² More explicitly Haas states regimes are: “sets of implicit or explicit, principles, norms, rules, and decision making procedures around which actors’ expectations converge in a given area of international relations.”³³

It is important to stress that obviously international organizations are involved in coercive transfer. So, the World Bank and the International Monetary Fund have pressurized a wide variety of Governments, particularly from developing countries, to adopt free market economic policies in return for loans.³⁴

III. WHY ENGAGE IN POLICY TRANSFER?

In the process of policy transfer lessons can be used in a number of ways and for a variety of reasons. Moreover, both supporters and opponents of various policies use lessons selectively to gain advantage in the struggle to get their ideas accepted. In fact, Robertson and Waltman,³⁵ Robertson³⁶ and Anderson³⁷ have all discussed the ways lessons are used by supporters and opponents. Specifically, Robertson says: “Policy lessons from abroad often are put forward as politically neutral truths. Beneath this...adversaries are just as often using such lessons as political weapons.”³⁸

³⁰R. Rose, *Lesson Drawing in Public Policy*, p 129

³¹C. Bennett, “Different Processes, One Result: The Convergence of Data Protection Policy in Europe and the United States”, *Governance*, 1: (1988), pp. 425-441, especially p.431; See also: C. Bennett, *Regulating Privacy*.

³² P. Haas, “Do Regimes Matter?”, p. 377.

³³ P. Haas, “Do Regimes Matter?”, p. 381.

³⁴For examples see: J. Lloyd, “IMF Gives Go-ahead for \$1.5 bn Loan to Russia”, *The Financial Times* 23 March (1993) or “Algeria Devalues in Deal with IMF”, *The Financial Times* 11 April (1994).

³⁵D. Robertson and J. Waltman, “The Politics of Policy Borrowing.”

³⁶Robertson, “Political Conflict and Lesson Drawing.”

³⁷C. Anderson “The Logic of Public Problems”, in D. Ashford (ed.). *Comparing Public Policies* (Beverly Hills, Sage, 1978), pp. 19-38.

³⁸D. Robertson, “Political Conflict and Lesson Drawing,” p.55.

All authors emphasize that, in consequence, decision makers enjoy considerable latitude in relation to the policies they transfer.

This said, in attempting to explain why transfer occurs it is necessary to return to the distinction between voluntary and coercive transfer, although at the margin the two types merge. In addition, a further distinction needs to be made between cases of direct coercive transfer and those cases in which the push-factors leading to policy transfer are more indirect.

A. Voluntary Transfer

1. Dissatisfaction/Problems

Most authors suggest that the primary catalyst of voluntary transfer is some form of dissatisfaction or problem with the status quo. Rose's assessment is typical: "In the career of most programs there comes a time when dissatisfaction disrupts routine. When confronted with dissatisfaction, policy makers will search for something that will...be effective in dispelling dissatisfaction."³⁹

As this quotation illustrates, supporters of the dissatisfaction model presume that when governmental policies are functioning properly there is no need to search for lessons; everything can operate through established routines:

(Actors) prefer the assurance of doing what has worked before, or been effective elsewhere...[they] do not have the time or knowledge to be maximizers...they are 'satisficers'; satisfying behaviour can account for...both starting and stopping a search.⁴⁰

Only when routines stop providing 'solutions' is it necessary to search for lessons.⁴¹

It should also be noted that there is also considerable evidence from the literature that who is dissatisfied, and when they are dissatisfied, has a crucial

³⁹R. Rose, "What is Lesson Drawing", p.10.

⁴⁰R. Rose, "What is Lesson Drawing" p.10.

⁴¹R. Rose, Lesson Drawing in Public Policy.

influence on which political actors engage in transfer, and when and why they do it.

As Robertson argues:

lessons will play a different political role in different stages of the policy process. During the agenda-setting process advocates of change will tend to invoke foreign lessons in an attempt to place an issue on the political agenda. In the policy adoption process, opponents will more forcefully use negative lessons.⁴²

A number of causes of dissatisfaction are identified in the literature, but most argue that dissatisfaction usually results from public or government perceptions of policy failure. However, there is a clear problem with this analysis because it assumes that policy failure is a non-contentious and easily measurable concept. In fact, as Anderson⁴³ and Rose⁴⁴ point out, political actors' definitions of policy problems are subjective and 'political'. For example, although the dramatic increase in world wide unemployment led President Clinton to call for a 'Job Summit' with G-7 nations in 1993, as will be discussed in chapter seven, the Thatcher administration did not regard unemployment as a problem. Rather the Government concentrated on controlling inflation and decreasing the PSBR.

2. Cyclical Political Events

Cyclical political events, particularly elections or party conferences, also drive actors to engage in policy transfer. In, *Do New Leaders Make a Difference*, Valerie Bunce emphasizes the importance of elections, concluding that new incumbents often wish to introduce new public policies: "What counts in succession...is not so much

⁴²D. Robertson, "Political Conflict and Lesson Drawing," p.56. For an analysis of how actors use lessons at various stages of the policy process, see: C. Bennett, *Regulating Privacy*; Hogberg, "Sleeping With an Elephant,"; J. Waltman, *Copying Other Nations Policies: Two American Case Studies* (Cambridge, Mass: Schenkman, 1980) and H. Hecl, *Modern Social Politics in Britain and Sweden*.

⁴³C. Anderson, "The Logic of Public Problems: Evaluation in Comparative Policy Research," in D. Asford (eds.), *Comparing Public Policies* (Beverly Hills: Sage, 1978), pp. 19-43.

⁴⁴R. Rose, *Lesson Drawing in Public Policy*.

the appearance of new faces, but rather the fact that these new faces may do new things.’⁴⁵ Polsby argues that elections may force candidates to search for lessons because: “A central part of the regular quadrennial public competition for the presidential office is that candidates...must find programs to which they can attach their names.’⁴⁶ Indeed, Polsby demonstrates that politicians also use policy transfer to make a name for themselves: “Presidents who wish to differentiate themselves from their predecessors and...make an individual mark on history...provide a steady market of policy innovation.’⁴⁷

Elections also serve to encourage policy transfer by bringing ideologues into the policy process. In other words people who know what they want and look for lessons that match this view of the world. As Robertson and Waltman illustrate:

Policy borrowing tends to result in more far-reaching changes in policy direction when the process is dominated by ideological and political partisans....Proponents of a particular ideological position can advocate that their polity emulate the programs of a polity in which their policy preferences prevail.⁴⁸

Because ideologues perceive their cause as a mission, policy transfer is common as they look to similarly minded individuals in other countries for precedents in developing their mission. This process has been cited as one of the major reasons Prime Minister Thatcher looked to President Reagan and Reagan to Thatcher for guidance during the 1980s.⁴⁹ In fact, I will illustrate this process, in later chapters, while examining the process of policy transfer from the United States to Britain in the development of the British welfare-to-work system.

⁴⁵V. Bunce, Do New Leaders Make a Difference (Princeton, N.J.: Princeton University Press, 1981), p.14.

⁴⁶N. Polsby, Political Innovation in America (New Haven, London: Yale University Press, 1984), p.161.

⁴⁷N. Polsby, Political Innovation in America, p.161.

⁴⁸D. Robertson and J. Waltman, “The Politics of Policy Borrowing,” p.3.

⁴⁹See: D. King The New Right (London: Macmillan, 1987); D. King, Actively Seeking Work (Chicago: University of Chicago Press, 1995).

3. *Conflict*

Political conflict also acts as an impetus for policy transfer. As can be seen above one of the most direct forms of political conflict is party competition, especially during elections. Hugh Heclo illustrates the role party competition played in the development of social policies in Britain and Sweden.⁵⁰ Similarly, Robertson examines the role party competition played in policy transfer in relation to the development of labour market policies in the United States, noting:

Public policy towards labor markets constitutes an especially appropriate arena for examining the politics of lesson-drawing...political conflict over the control of jobs...is perpetual and pervasive...disputes may exacerbate regional, racial, ethnic...conflicts that shape partisan divisions and define governmental agendas.⁵¹

Conflict between political actors also leads to policy transfer as: “Supporters of a policy may portray a similar program in another polity in attractive terms...Opponents of a policy may identify a similar policy abroad and emphasize its costs and disadvantages.”⁵² Indeed, Wolman shows how in the area of urban policy, competition between interest groups within different countries, as well as party competition, played a key role in stimulating policy transfer and shaping its form.⁵³

4. *To Legitimate Conclusions Already Reached*

Policy transfer also occurs to legitimate conclusions already reached. As Bennett argues: “Evidence is used in the policy process in highly selective ways...to legitimate decisions already taken. Thus, information about the effects of a program

⁵⁰H. Heclo, *Modern Social Politics in Britain and Sweden*.

⁵¹D. Robertson, “Political Conflict and Lesson Drawing,” p. 58.

⁵²D. Robertson, “Political Conflict and Lesson Drawing,” p. 57.

⁵³H. Wolman, “Understanding Cross National Policy Transfers.”

elsewhere enters debate...to justify prior positions”⁵⁴ This process is amply illustrated in a study by Henig, Hamnett, and Feigenbaum of the international spread of privatization. In this field Government’s committed to ‘New Right’, free market economic policies used lessons drawn from countries which had already privatized to legitimate their prior decision to implement particular forms of privatization.⁵⁵

5. Uncertainty

One final ‘voluntary’ cause of policy transfer is uncertainty. Uncertainty about the cause of problems, the effects of previous decisions or the future causes actors to search for policies they can borrow. As Haas argues: “the hallmark of complex interdependence is uncertainty...International collaboration...is an attempt to reduce uncertainty.”⁵⁶ Indeed, he demonstrates how uncertainty led policy makers to turn to international experts in their attempts to regulate pollution in the Mediterranean.

B. Direct Coercive Transfer

1. Forced By Other Governments

The most direct method of coercive policy transfer is when one government forces another to adopt a policy. In, *Cross-National Sources of Regulatory Policy Making*, Giandomenico Majone provides an excellent example in his analysis of the reasons countries pursue regulatory policies. In particular, he demonstrates how American regulators forced European states, particularly Germany after World War II, to adopt American anti-cartel laws:

⁵⁴C. Bennett, “How States Utilize Foreign Evidence,” *Journal of Public Policy*, 33: 4 (1991), pp. 31-54, p.38.

⁵⁵J. Henig, C, Hamnett and H. Feigenbaum, “The Politics of Privatization: A Comparative Perspective,” *Governance*, 1: 4 (1988) See also: D. King, *The New Right*.

⁵⁶P. Haas, “Why Collaborate? Issue-Linkage and International Regimes,” p. 377-378. See also: D. Robertson and J. Waltman, “The Politics of Policy Borrowing.”

It is well known that the anti-cartel clauses of the ECSC treaty...were significantly influenced by the American model...Washington, represented by John McCloy...insisted more than once on a particular wording of individual articles.⁵⁷

More specifically, Majone emphasizes that American regulators influenced the shape of the German constitutions: “At the end of November 1952, the experts of the High Commission sent the German government a draft which was based on the German submission but contained a number of more radical clauses inspired by US antitrust laws.”⁵⁸

2. Supra-National Institutions

The direct imposition of policy transfer on one country by another is rare. Often however, supra-national institutions play a key role in coercive policy transfer. For example, Hague *et. al.* discuss the role supra-national institutions play in the spread of Western monetary policies to Third World countries:

IMF loans are much more attractive than private loans...but there is a catch. To qualify for an IMF (or World Bank) loan, nations must in practice surrender a degree of control over their economic policies. The IMF will stipulate certain economic policies that have to be implemented if the loan is to be granted.⁵⁹

The European Community and the European Court of Justice are other supra-national institutions forcing policy transfer upon member nations. Indeed, Martin Shapiro illustrates how the European Community has functioned as a policy-pusher,

⁵⁷ G. Majone, “Cross-National Sources of Regulatory Policymaking in Europe and the United States,” *Journal of Public Policy*, 11: 1 (1991), pp. 79-106, p.85-86.

⁵⁸G. Majone, “Cross-National Sources of Regulatory,” p.88.

⁵⁹R. Hague, M. Harrop and S. Breslin, *Comparative Government and Politics: 3rd Edition* (Hong Kong: Macmillan Press, 1992), p.129.

using its power to issue directives and regulations, while the European Court of Justice has forced Governments to adopt policy directives the EC has issued.⁶⁰

3. *Transnational Organizations*

Transnational corporations (TNCs) can also force governments into policy transfer. As Hague *et al* argue: “In their relations with national governments, the TNCs hold the ace card of mobility. They can always take their businesses elsewhere.”⁶¹ The mobility of TNCs can force governments to adopt policies capable of attracting industries. Heidenhimer *et al* use this analysis to illustrate that: “Corporations are far more mobile than ever before, and they can choose to locate wherever...this fact alone may discourage some jurisdictions from strengthening environmental standards.”⁶²

C Indirect Coercive Transfer/Psychologically Driven

1. *Externalities/Functional Interdependence*

Policy Transfer can also be pushed as a result of less direct pressures; specifically, indirect coercion as well as the direct coercion discussed above. For example, in one of the most interesting studies of policy transfer, Hoberg emphasizes the potential role of externalities in forcing Canada to engage in policy transfer. Specifically, his analysis shows that the Canadians looked to America for lessons which could be used in drafting their environmental regulations, largely as a result of the indirect effect US pollutants, and indeed US regulations, had on the Canadian side of the border.⁶³ Rose refers to this as functional interdependence arguing:

⁶⁰M. Shapiro, “The European Court of Justice,” in A. Stragta (eds.), *Euro Politics*, (Washington, D.C.: Bookings Institution, 1992), pp. 123-156. For more information on the role of supra-national institutions see: R. Williams, “The Role of Intergovernmental Organizations in International Information Transfer and Policy,” *Special Libraries*, Winter (1988), pp. 1-7.

⁶¹R. Hague et. al. *Comparative Government and Politics*, p.106.

⁶²A. Heidenheimer, H. Hecl and C. Adams *Comparative Public Policy 3rd edition*, (New York: St. Martins Press, 1990), p.311.

⁶³G. Hoberg, “Sleeping With The Elephant,”

“Functional interdependence can compel a common response by two or more different governments...Environmental pollution provides many examples”⁶⁴

Certainly, there is little doubt that externalities push governments to work together to solve common problems. Peter Haas demonstrates how such interdependence was responsible for policy transfer and the development of common environmental policies in the Mediterranean.⁶⁵ Similarly, Majone discovered that externalities stimulated the development of European chemical regulations; in response to American legislation controlling imports of toxic substances, European countries turned to the EC to develop common regulations.⁶⁶

Bennett also indicates how what happens elsewhere impinges on policy makers, pursuing them towards certain policy options. Indeed, he shows that Canadian legislators believed that: “Canadian policy should be based on the same legislative principles as elsewhere (given that) from the outset of the debate in the late 1960s, anxiety had been voiced about the privacy of information on Canadian citizens held in databanks overseas.”⁶⁷

2. Technological Changes

Bennett’s example also illustrates the importance technological advances have had on the indirect push of policy transfer:

Over time different states came to agree on the statutory principles that comprise data protection...The critical question is why...The most all-encompassing explanation is the technology. Commentators from all countries have stressed the computer’s pervasiveness and speed of development...There was a clear awareness of overseas developments and a keen desire to learn.⁶⁸

⁶⁴R. Rose, *Lesson Drawing in Public Policy*, p.10.

⁶⁵P. Haas, “Do Regimes Matter?”

⁶⁶G. Majone, “Cross-National Sources of Regulatory Policymaking in Europe and the United States,” especially, p.98.

⁶⁷C. Bennett, “The Formation of a Canadian Privacy Policy: The Art and Craft of Lesson-Drawing,” *Canadian Public Administration*, 33: 4 (1990), pp. 551-570, p.563.

⁶⁸C. Bennett, *Regulating Privacy*, p. 221.

Technology pushes governments into policy transfer because of the speed with which it forces change. Government's, not knowing how to deal with the issues technological advances create, turn to each other for precedents and ideas.

3. Economic Interdependence/Dominance

Economic relations between nations can also act as a force pushing a country towards policy transfer. This is especially true when one country depends on another as its primary market. This can often force the importing country into adopting similar policies. Hoberg argues that this is the situation which effects Canada and the United States:

Canada is also profoundly affected by the economic dominance of the United States...Historically, much of Canadian economic policy has been focused on resisting the natural north-south pull of economic activity in North-America...The overwhelming American presence was also the rationale behind the creation of prominent state enterprises.⁶⁹

Similarly, Peter Taylor contends that the rise and maintenance of 'Thatcherism,' and its adoption of 'New Right' economic policies, can only be explained in terms of the constraints which the international economy, and Britain's peculiarly weak position in it, put upon the policy options of the British Government.⁷⁰ While Taylor's work does not directly deal with policy transfer, it clearly demonstrates how the international economy pushes countries to engage in policy transfer to maintain or establish a particular image and position in world politics. Rose makes the same point:

⁶⁹G. Hoberg, "Sleeping with an Elephant," p.109.

⁷⁰ P. Taylor, "Changing Political Relations," in P. Cloke (eds.), Policy and Change in Thatcher's Britain (London: Macmillan, 1991), pp. 35-54.

It is hardly possible in today's world to visualize any national situation in a purely closed-economy context. A country dissatisfied with its position must examine the programs of its competitors...Change in economic programs are often forced on national governments that neglect the importance of *paying due attention to developments and policies abroad*.⁷¹

4. *Perceptions of Other Nations*

a. internal feelings

A country can also be indirectly pushed towards policy transfer if political actors perceive their country as falling behind its neighbors or competitors. As Bennett puts it: "Fears of being left behind on an important public issue can trigger attention. The cumulative effect of action elsewhere may translate into a feeling of insecurity about being the odd-man-out."⁷² Certainly, Hoberg argues that national embarrassment, caused by the perception that Canada was falling behind the United States in environmental regulation, pushed policy makers to emulate American auto-emission standards during the 1980s.⁷³

b. international consensus

The emergence of an international consensus may also act as a push-factor. When the international community defines a problem in a similar way, and even more when a common solution to that problem has been introduced in a number of nations, then nations not adopting this definition or solution will face increasing pressure to join the international 'community' by implementing similar programs or policies. In this way, Bennett explains Canada's introduction of data protection legislation as a response to the international consensus emerging around the importance of data

⁷¹R. Rose, *Lesson Drawing in Public Policy*, p.141.

⁷²C. Bennett "How States Utilize Foreign Evidence," p.43.

⁷³G. Hoberg "Sleeping With An Elephant," especially, p.114.

protection during the 1980 and the pressures associated with that developing consensus.⁷⁴

IV. WHAT IS TRANSFERRED?

When actors or institutions engage in policy transfer what is actually transferred? A review of the literature suggests 6 objects of transfer: policy content and goals; policy instruments or administrative techniques; institutions; ideology; ideas attitudes and concepts; and negative lessons. Of course, these are not mutually exclusive categories. Not only is there considerable overlap between them, but often policy makers transfer more than one of them at a time. So, for example, in Chapter seven I am going to show how the Thatcher Government borrowed the ideological rhetoric surrounding American welfare-to-work programs to prepare the political landscape before and during the transferring of actual welfare-to-work programs.

A. Policy: Content And Goals

In several studies Harold Wolman traces the transfer of urban development policies between the United States and Britain and argues that: “What potential borrowers appear to be most concerned with is program structure rather than effect”⁷⁵ In particular, Wolman demonstrates how the transfer of the American Urban Development Action Grant (UDAG) program to Britain involved the borrowing of the entire program structure. However, it is important to stress that Wolman also points out that while both general policy ideas and specific policy instruments can be transferred, the borrower may pick and choose what to borrow: “In many cases a specific policy idea...may be borrowed, but the specific design or structure through which this occurs in the original country may not be.”⁷⁶

Similarly, Bennett draws attention to the transfer of policy structures, noting that: “Some studies have noted a convergence on ‘policy content,’ encompassing

⁷⁴C. Bennett, “The Formation of Canadian Privacy Policy”; C. Bennett, *Regulating Privacy*; E. Haas, “Why Collaborate.”

⁷⁵H. Wolman, “Understanding Cross National Policy Transfers,” p.35.

⁷⁶H. Wolman, “Understanding Cross National Policy Transfers,” p.41.

both the substance of laws, regulations, policy statements...and the instruments chosen to enforce them.”⁷⁷ Hague *et. al.* identified similar processes at work in the spread of privatization programs. Specifically, they found that, while the forms of privatization varied significantly between Britain, France and the United States, there were: “striking...similarities in the rhetoric and rationales with which privatization advocates in the three countries justify their initiatives.”⁷⁸

B. Policy Instruments

As implied above, in the process of policy transfer policy makers often transfer policy instruments as well as policy content and goals. Among the most important policy instruments used to regulate bureaucratic activities and implement policies are budgeting systems, licensing regulations and the setting of standards. Robertson and Waltman demonstrate how various leaders and administrators transfer policy instruments and administrative techniques, such as “experience ratings” and productivity measures, for their own use. Indeed, they argue: “most public policy borrowing appears to involve administrative techniques...rather than a change of policy direction.”⁷⁹ However, this view is contentious. For example, in contrast, Majone concludes that, while there is considerable policy transfer between nations, few cases involve policy instruments.⁸⁰

C. Institutions

The institutions used to implement policy can also be transferred. For example, Haas shows that the establishment of environmental Ministries to protect the Mediterranean by number of countries involved substantial borrowing of ideas and structures. Similarly, Majone argues that the transfer of American ‘single-industry regulatory agencies’ to Europe was an important feature of the international privatization programs of the 1980s.

⁷⁷C. Bennett, “Different Processes, One Result,” p. 418.

⁷⁸R. Hague, et. al., *Comparative Government and Politics*, p.447.

⁷⁹D. Robertson and J. Waltman, “The Politics of Policy Borrowing,” p.9.

⁸⁰G. Majone, “Cross-National Sources of Regulatory Policymaking,” p.83.

D. Ideology

When ideologues enter office they look for rhetoric to justify their policy preferences and/or for programs through which to implement their principles. Robertson and Waltman⁸¹; Henig *et. al.*⁸² and King⁸³ demonstrate that President Reagan and Prime Minister Thatcher adopted each other's ideological rhetoric to justify and spread political programs based upon 'New Right' principles. More specifically, the analysis by Henig *et. al.* of the development of privatization politics and policies in Britain, France and the United States indicates that other governments sent delegations to Britain to learn about both the details of the privatization program and the ideology underpinning it.⁸⁴ In the same vein, Majone discusses how liberal capitalistic ideology was transferred from the United State to Europe after the Second World War in order to: "ensure the primacy of economics over politics."⁸⁵

E. Ideas/Attitudes/Concepts

Political actors can also transfer ideas, attitudes and concepts. Although I want to stress of course, that this category overlaps the last one. This said, Wolman's analysis of the transfer of the American UDAG program to Britain suggests that the transfer of the attitudes lying behind the project was as important as the transfer of the project itself. Indeed, one of the participants claimed: "In a way UDAG was as much about changing attitudes towards inner cities and the private sector's role as it was about the actual projects themselves."⁸⁶ More specifically, Wolman argues:

⁸¹D. Robertson and J. Waltman, "The Politics of Policy Borrowing."

⁸²J. Henig, R. Jeffrey and H. Feigenbaum, "The Politics of Privatization: A Comparative Perspective."

⁸³D. King, The New Right.

⁸⁴J. Henig, *et. al.*, "The Politics of Privatization," p.458.

⁸⁵G. Majone, "Cross-National Sources of Regulatory Policymaking in Europe and the United States," p.85.

⁸⁶H. Wolman, "Understanding Cross national Policy Transfers," p.38

Participants frequently talked about the value of learning about different concepts and approaches rather than specific policy designs. Thus, ‘public-private partnerships,’ ‘local capacity building,’ ‘citizen empowerment,’ and deregulation all featured as concepts which attracted British policymakers to the American Experience [without the transfer of any concrete policy].⁸⁷

In his various studies of the development of data protection legislation, Colin Bennett illustrates that transfer led to policy convergence upon the principle of: ‘fair information.’⁸⁸ Interestingly, while the countries adopted a shared set of data protection principles and legislated to protect citizens against abuses, Bennett found that none designed the same policy instruments to enforce these principles.⁸⁹

F. Negative Lessons: What Not To Do!

The previous categories have demonstrated positive lessons but lessons can also be negative. As Richard Rose puts it: “If the lesson is positive, a policy that works is transferred...if it is negative, observers learn what not to do.”⁹⁰ As an example, after examining 1970s American auto-emission standards, Canadian legislators made an “explicit decision not to” emulate American standards, believing them to be unnecessarily restrictive, given Canada’s environmental situation.⁹¹ Similarly, Canadian legislators explicitly rejected the American Freedom of Information Act as a model for their freedom of information legislation because it was: “incoherent, confusing and injurious to legitimate privacy interests.”⁹²

⁸⁷H. Wolman, “Understanding Cross national Policy Transfers,” p.41.

⁸⁸C. Bennett, “The Formation of Canadian Privacy Policy.”; C. Bennett, *Regulating Privacy*.

⁸⁹C. Bennett, *Regulating Privacy*.

⁹⁰R. Rose, “What is Lesson-Drawing,” p4.

⁹¹G. Hoberg, “Sleeping with an Elephant,” p.112.

⁹²C. Bennett, “The Formation of Canadian Privacy Policy,” p. 564. See also: C. Bennett, *Regulating Privacy*, especially, p.124.

V. ARE THERE DIFFERENT DEGREES OF TRANSFER?

When engaged in policy transfer, actors have a range of options on how to incorporate lessons into their political system. Rose identifies 5:⁹³ copying; emulation; hybridization; synthesis; and inspiration. I prefer to combine the 2 related categories of hybridization and synthesis.

A. Copying

Copying occurs when a country adopts a program in use elsewhere without any changes. The easiest way to prove that copying has occurred is to examine the wording of the legislative bill authorizing a program. As Jerold Waltman says: “If the statute or other legal document is worded exactly like one from another system, that is strong...evidence copying took place.”⁹⁴

B. Emulation

Another degree of policy transfer is emulation. Emulation happens when a country: “reject(s) copying in every detail, [but] accepts that a particular program elsewhere provides the best standard for designing legislation at home.”⁹⁵

C. Mixtures (Hybridization/Synthesis)

Hybridization and synthesis involve combining elements of programs found in two or more countries to develop a policy best-suited to the emulator. In chapters seven through nine I will demonstrate that in developing the British welfare-to-work system the Government often utilized a synthesis of American and Swedish programs. This will be particularly evident in my analysis of the development of the employment service in Chapter nine.

⁹³R. Rose, *Lesson Drawing in Public Policy*, p. 30-32.

⁹⁴J. Waltman, *Copying Other Nations Policies*, p.5.

⁹⁵ R. Rose, “What is Lesson-Drawing,” p.21.

D. Inspiration

Finally, policy transfer can provide the inspiration for new thinking and procedures. As Richard Rose observes: “Viewing a familiar problem in an unfamiliar setting expands ideas of what is possible, and can inspire fresh thinking about what to do at home.”⁹⁶ Again this will become apparent when I examine the development of the British welfare-to-work system in chapters six through nine.

VI. POLICY TRANSFER AND THE POLICY PROCESS

Briefly, it should also be noticed that not only are there different ways to utilize lessons in the creation of new policies, but they can be put to different uses during the policy process. For example, in *Political Conflict and Lesson Drawing* David Robertson distinguishes between the agenda setting, policy formulation and policy adoption stages to demonstrate what types of coalitions will be using lesson drawing, and how uncertainty surrounding the internal elements of lessons allows them to be manipulated politically. According to David Robertson during the agenda setting and policy formulation stages’ lessons are likely to be used by supporters to demonstrate the transferability of a program. During the policy adoption process, lessons will become political as opponents begin entering the process demonstrating why lessons should not be transferred.

VII. FROM WHERE ARE LESSONS DRAWN?

A. Drawing Lessons Through Time

When policymakers begin searching for lessons, one of the first places they may begin their search is in the past. When searching the past, instead of a global search policy makers often limit their search to their own country’s past. By searching the past agents learn not only what has worked but can learn what not to

⁹⁶ R. Rose, “What is Lesson-Drawing,” p.22.

repeat. So, Richard Rose claims: “The defense policies of Germany and Japan today represent lessons learned about what not to do.”⁹⁷ Similarly, in examining the rise of Keynesianism during the Depression, Weir and Skocpol found social democratic policy ideas were re-circulated from past attempts to implement Keynesian type programs.⁹⁸

1. Some Pitfall's of Searching The Past

Before examining lesson drawing within a country, it is important to emphasize that searching for lessons in the past has the advantage of saving time and resources. However, searching the past involves subjective evaluation, for while history is constant it is open to many interpretations. In addition, a current situation may not be truly analogous to a past situation. Indeed, when drawing lessons actors might not truly understand the past or its relation to the present. In addition, as most policy develops over time the decision regarding which period to draw lessons can critically affect the lesson drawn. Finally, as Rose points out, time is not a constant when actors are engaging in policy transfer: “Obstacles to lesson-drawing are not permanent; in the course of time many obstacles become variables.”⁹⁹

B. Lesson Drawing Within a Country

Besides drawing lessons from the past, in particular their past, actors can also draw lessons from other political systems within their country; if its constitutional structures create a series of similar sub-national units of government with a relatively harmonious political culture. Learning in this situation is relatively straight-forward:

Within a nation, there are often opportunities for lesson-drawing, because several different public agencies are likely to be involved with

⁹⁷ R. Rose, *Lesson-Drawing in Public Policy*, p.88.

⁹⁸M. Weir and T. Skocpol “State Structures and the Possibilities for ‘Keynsian’ Responses to the Great Depression in Sweden, Britain, and the United States,” in P. Evans, D. Ruescheneyer and T. Skocpol, *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985), pp. 107-163.

⁹⁹R. Rose, *Lesson-Drawing in Public Policy*, p. 18.

an issue...In a unitary state...there is an explicit hierarchy of authority..
ideas [move] up and down this hierarchy.¹⁰⁰

As will be demonstrated, the development of the United States 1988 FSA was heavily influenced by the experiences of State welfare-to-work programs during the 1970s and 1980s. However, a brief example of this type of policy transfer is reflected in a quote from the American Government's Federal Register: "Because the Statute[The JOBS Program of Title II] affects programs administered by a number of Departments, we actively sought suggestions and comments from...representatives of State IV-A agencies."¹⁰¹

It is important to note that when searching within a nation, actor's can also search their own organization because different branches and divisions provide opportunities for transferring administrative techniques and procedures. As Rose emphasizes: "The first place for an organization to look is to its own standard operating procedures."¹⁰²

C. Lesson Drawing Across National Boundaries

Although constraints exist, it is common for governments and agents to transfer policies from one nation to another. So, for example, in the welfare area international policy transfer played a crucial role in the spread of poor laws and unemployment legislation since the 19th century. Not only were British poor houses adopted in the United States, but, as Heclo shows: "Experience in Denmark and New Zealand were important in Britain...however, it was experience in Germany that stirred greatest international interest."¹⁰³

Similarly, according to Colin Bennett, the development of Canadian privacy legislation was a direct result of lessons transferred from the United States: "On the

¹⁰⁰ R. Rose, "What is Lesson-Drawing?," p.18.

¹⁰¹ Federal Register, Friday 13 October 1989, p. 42416. In this vein, Bennett demonstrates how the 1970 Hessian statute provided the model for both the 1977 West German Federal Data Protection Act and the laws introduced in other Länder. See: C. Bennett, Regulating Privacy.

¹⁰² R. Rose, "What is Lesson-Drawing?" p.13.

¹⁰³ H. Heclo, Modern Social Politics in Britain and Sweden, p. 310.

issue of disclosure to third parties...the Canadian Act bears very strong resemblance to the US Privacy Act, and it is difficult to imagine that the American law was not used as a model.”¹⁰⁴

In the process of cross-national policy transfer often a country or a country's regional government will export policies to other nations. For example, while examining policy transfer between the United States and Canada, Robertson and Waltman found that particular American States and Canadian Provinces acted as policy leaders: “(their) innovations are disproportionately copied by neighboring jurisdictions.”¹⁰⁵ Similarly, Bennett, found that the 1973 Swedish Data Act acted as an exemplar to other nations instituting data protection laws. Hecló shows that Germany played a similar role in the transfer of unemployment insurance to Sweden and Britain during the early twentieth century and I will demonstrate that the United States acted as a model for the development of the British welfare-to-work system during the 1980s.¹⁰⁶

The basic assumption involved in drawing lessons from other nations is that: “Similarities are greater within a given program across national boundaries than among different programs within a country.”¹⁰⁷ Finally, it should be stressed that when drawing lessons across nations, geographic propinquity does not equate with policy transfer because ideological and resource similarities are necessary preconditions to adapt lessons from one country to another and neighboring countries do not always meet these preconditions.

VIII. IN WHAT CONTEXT ARE LESSONS TRANSFERRED?

Actors learn about policies or institutions which they might transfer: during meetings and visits; at conferences; through publications and media coverage; through international contacts; during meetings with interest groups; and from other policy areas.

¹⁰⁴C. Bennett, “The Formation of Canadian Privacy Policy,” p. 565.

¹⁰⁵D. Robertson and J. Waltman, “The Politics of Policy Borrowing,” p. 8.

¹⁰⁶See: C. Bennett, Regulating Privacy; H. Hecló, Modern Social Politics in Britain and Sweden.

¹⁰⁷R. Rose, “Comparative Policy Analysis: The Program Approach,” in M. Dogan (eds.) Comparing Pluralist Democracies (Bolder, Colorado: Westview Press, 1988), pp. 219-236, p. 227-228.

A. Meetings and Visits

Actor's often learn about 'foreign' evidence through meetings and visits to different organizations and countries. Certainly, Wolman found that on several occasions individual and teams of activist and civil servant's visited American UDAG programs to learn how they operated in the United States.¹⁰⁸ Similarly, Eleanor Westney demonstrates that, during the Meiji period, Japanese authorities were renowned for sending study groups to Europe and America, to examine ways to modernize Japanese government and society.¹⁰⁹

B. Conferences

Associated with meetings and visits in the process of policy transfer are the interactions occurring at national and international conferences. Conferences are important in the process of lesson drawing for, as Richard Rose comments: "[they] facilitate direct contacts among officials."¹¹⁰ Haas' study of the spread of environmental legislation among Mediterranean States amply illustrates the role national and international conferences play in spreading ideas: "The scientists were invited to attend biannual conferences convened by UNEP for the purpose of exchanging information...and forming professional bonds with their colleagues throughout the Mediterranean."¹¹¹

C. Journals, Publications, Media.

Academic journals, government publications, international organization publications and other media sources play an important part in the international

¹⁰⁸H. Wolman, "Understanding Cross National Policy Transfers."

¹⁰⁹E. Westney, Innovation and Imitation: the Transfer of Western Organizational Patterns to Meiji Japan (Cambridge, Mass: Harvard University Press, 1987). See also: C. Bennett, Regulating Privacy, which also demonstrates the importance meetings and visits had in the spread of data protection principles throughout Europe during the 1970s and 1980s.

¹¹⁰R. Rose, Lesson Drawing in Public Policy, p. 138.

¹¹¹P. Haas, "Do Regimes Matter?", p.387.

spread of ideas and policies. For example, Colin Bennett demonstrates that the international spread of data protection principles was considerably hastened by the publication of government committee reports in various nations; noting that British and Canadian legislators specifically referred to information disseminated through these publications in debates about privacy legislation.¹¹² In the same vein, Donald Rowat attributes the international adoption of Ombudsmen to the writings of a few policy entrepreneurs, particularly Professor Hurwitz:

the early discussion of the plan in the English-speaking world and its adoption in New Zealand owe much to his ability and willingness to write and speak in English. He prepared a long pamphlet in English on his office, and wrote articles for British and American Journals.¹¹³

Robertson and Waltman also discuss the importance of international organization publications in the global spread of ideas, concluding: “International organizations such as the Organization for Economic Cooperation and Development explicitly publicize successful policy innovations through general publications...and specialized reports.”¹¹⁴

I also want to stress that the globalization and immediacy of the mass media ensures that it is also a source of policy transfer. This is because it allows actors across the globe instantaneous knowledge about new ideas, policies and problems. In fact, George Hoberg explicitly traced the influence of the mass media in the development of environmental policies and concerns in his study examining the spread of policies between the United States and Canada.¹¹⁵

D. International Policy Communities

As noted above, international policy communities are highly influential in the spread of ideas. Being based upon specialized knowledge, communities draw

¹¹²C. Bennett, *Regulating Privacy*.

¹¹³D. Rowat, *The Ombudsman Plan*, p.119.

¹¹⁴D. Robertson and J. Waltman, “The Politics of Policy Borrowing,” p.7.

¹¹⁵G. Hoberg, “Sleeping with an Elephant.”

together experts in a particular policy field from local, regional, national, and international levels to share information on how various institutions, localities and nations are coping with perceived problems. Hoberg's studies on the spread of environmental legislation between the United States and Canada demonstrate the importance policy communities have had in the spread of environmental information.¹¹⁶ It is worth quoting extensively from Colin Bennett because he clearly demonstrates the role policy communities had on the international spread of data protection principles:

Scores of international groups have been involved in some way with data protection since the 1970s. A full treatment of the subject would include a range of organizations that deal with a complex array of legal, human rights, telecommunications....An incomplete list of involved intergovernmental bodies would include the International Telecommunications Union, the Intergovernmental Bureau of Informatics....A range of nongovernmental organizations exist as well.¹¹⁷

E. Pressure Groups

Pressure groups also act as an important source of information in the international spread of policies. For example, McAdam and Rucht emphasize the role pressure groups play in the spread of protest techniques and ideas from Europe to the United States.¹¹⁸ Likewise, Hoberg found pressure groups were extremely influential in forcing Canadian legislators to enact uni-lateral legislation on sulfur dioxide:

When it [the Canadian Collation on Acid Rain] realized it was adding little to the substantial lobbying efforts of the...American lobby group...it returned to Canada to press for unilateral action.¹¹⁹

¹¹⁶ G. Hoberg, "Sleeping with an Elephant."

¹¹⁷ C. Bennett, *Regulating Privacy*, p.132.

¹¹⁸ D. McAdam and D. Rucht, "Cross-National Diffusion of Movement Ideas."

¹¹⁹ G. Hoberg, "Sleeping with an Elephant," p.112.

F. Related Policy Debates.

Lessons are often drawn when ideas are incorporated onto the agenda from related policy debates. For example, Bennett demonstrated that this was an important factor in the development of data protection legislation within Canada:

The privacy issue by itself would not have generated the amendment of Part IV and the construction of a comprehensive data protection scheme...The catalyst for reform was the parallel debate over general access to government information.¹²⁰

A similar process was discovered in the American adoption of data protection legislation during the 1970s: “One source of fair information policy is American labor and trade law and the notion of fair and unfair labor or trade practices.”¹²¹

IX. WHAT FACTORS CONSTRAIN POLICY TRANSFER?

As much as policy makers desire a free flow of information they face serious constraints while engaging in policy transfer. Specifically, the literature identifies four broad categories of constraint: policy complexity; interactive effects; institutional constraints; and feasibility constraints.

A. Policy Complexity.

The complexity of a program effects its transferability. Specifically, it can be expected that on the average, the more complex a policy or program is the harder it is to transfer. While this is a relatively neglected area within the literature to date, Richard Rose does suggests six hypotheses concerning complexity:

¹²⁰C. Bennett, “The Formation of Canadian Privacy Policy,” p.559.

¹²¹C. Bennett, Regulating Privacy, p. 96.

1. programs with single goals are more transferable than programs with multiple goals;
2. the simpler the problem the more likely transfer will occur;
3. the more empirical a program is perceived to be the more likely it is to be transferred;
4. the fewer the perceived side-effects of a policy the greater the possibility of transfer;
5. the more information agents have about how a program operates in another location the easier it is to transfer;
6. the more easily outcomes can be predicted the simpler a program is to transfer.¹²²

B. Past Policy/Interaction With Existing Policy

Rose makes a key point which students of policy neglect at their peril:

Policymakers are inheritors before they are choosers; as a condition of taking office they swear to uphold the laws and programs that predecessors have set...new programs cannot be constructed on green field sites...they must be introduced into a policy environment dense with past commitments.¹²³

As this suggests, past policies constrain agents as to both what can be transferred and what agents look for when engaging in policy transfer. In this way, Hugh Heclo demonstrates how past policy constraints were crucial to the approaches Britain and Sweden adopted when developing social policies during the twentieth century. Specifically, he argued that in the 1920s: "British unemployment insurance scarcely seem attributable...to the fact that there was an unemployment insurance

¹²²R. Rose, *Lesson-Drawing in Public Policy*, p. 132-134. While These hypotheses offer a basis for future research attention needs to be paid to the way policy complexity interact with the other factors discussed here to help shape what is transferred and in what form.

¹²³R. Rose, *Lesson-Drawing in Public Policy*, p.78.

program at hand to be expanded; Sweden, on the other hand, responded to the 1920s...by continuing to operate a work relief policy inherited.”¹²⁴

Similarly, Robertson and Waltman demonstrate how existing policy commitments constrained the desire for policy transfer between the Reagan and Thatcher administrations despite the fact they shared ideological goals.¹²⁵

C. Institutional/Structural Constraints

Institutional and structural constraints can also prevent transfer. As Rose puts it: “Even though search is undertaken by individuals, searching is shaped by organizations.”¹²⁶ Indeed, Wolman identifies two crucial institutional and structural constraints faced by agents transferring policies from one setting to another:

differences in the institutional environment in which governments function (e.g., the structure and operations of local fiscal systems or personnel systems), differences in the relationship of different levels of government to each other.¹²⁷

In this study Wolman demonstrates how the United States’ federal structure acted as a constraint on the transfer of policies from the unitary British system, Britain’s unitary system facilitated the Government’s ability to transfer American policies.¹²⁸ In a later study Wolman examined how different structural settings affected the transfer of the UDAG and the Community Development Corporation Program’s from the United States to Britain concluding:

Policy makers appear to recognize...that there are important differences in policy settings across countries. They have more

¹²⁴H. Hecl, Modern Social Politics in Britain and Sweden.

¹²⁵D. Robertson and J. Waltman, “The Politics of Policy Borrowing,”

¹²⁶R. Rose, Lesson-Drawing in Public Policy, p.52.

¹²⁷H. Wolman, “Cross-National Comparisons of Urban Economic Programs: Is Policy Transfer Possible,” in D. Fasenfest (eds.) Local Economic Development Policy Formation, (London: Macmillan Press, 1992), p.41-42.

¹²⁸H. Wolman, “Cross-National Comparisons of Urban Economic Programs.”

difficulty in understanding the nature of these differences and assessing their importance to policy transfer.¹²⁹

Similarly, while examining the development of Keynesian economic policies in Britain, Sweden and the United States, Weir and Skocpol demonstrate the role institutions played in shaping opinions governing the acceptable responses to the economic crisis faced within each nation. In their words: “More than this, the administrative, fiscal, coercive, and judicial arrangements of given states...influenced the conceptions that groups or their representatives are likely to develop about what is desirable, or possible at all, in the realm of government action.”¹³⁰

D. Feasibility Constraints (political/technological/resource)

1. Political Ideology

Policy transfer is also dependent on the transferring political system possessing the political, bureaucratic, technological and economic resources to implement the policy. David Robertson suggests that both transfer, and its success, is more likely if the policy is consistent with the dominant political ideology in the ‘host’ country.¹³¹ Certainly, ideological similarities between countries can be a key factor when actors look for lessons. As Rose argues: “politicians might not know how to design a new program, but they can indicate clearly what lessons they would veto as unacceptable to their political values and interests.”¹³² Similarly, Hoberg found that the primary reason for the Canadian adoption of American environmental standards was the “value consensus” which existed between the two nations.¹³³ Kelman explained the convergence of safety and health regulations in Sweden and the

¹²⁹H. Wolman, “Understanding Cross-National Policy Transfers,” p.40.

¹³⁰M. Wire and T. Skocpol, “State Structures and the Possibilities for ‘Keynesian’ Responses to the Great Depression in Sweden, Britain and the United States.” p. 118.

¹³¹D. Robertson, “Political Conflict and Lesson Drawing.”

¹³²R. Rose, *Lesson-Drawing in Public Policy*, p.101.

¹³³G. Hoberg, “Sleeping with an Elephant,” p. 126.

United States as a product of the ideological consensus between government officials.¹³⁴

2. Bureaucratic Capabilities

Rose emphasizes that bureaucratic size and efficiency may influence transfer: “In so far as programs require employees with technical or professional expertise, there is no obstacle to lesson drawing across space as long as an agency has an adequate number of trained professionals.”¹³⁵

3. Technological Capabilities

Obviously, even desirable programs will not be transferred if implementation is beyond a nation’s technological abilities. As Wolman argues, technological feasibility consists of a: “program design technically capable of being carried out by the individuals and organizations charged with that task.”¹³⁶ For example, developed nation’s emission standards generally require the installation of high technology monitoring equipment and filters which are beyond the technological and monetary resources of most Second and Third World countries. Even developed countries might decide against transferring policies because of the technological complexities involved. For example, on several occasions while examining American environmental protection techniques, Canada explicitly rejected particular American policies because the technology used to implement them would have been too expensive and would have been excessively restrictive, causing undue hardships on the polluting industries.¹³⁷

¹³⁴S. Kelman, Regulating America, Regulating Sweden: A Comparative Study of Occupational Safety and Health (Cambridge, Mass: MIT Press, 1981).

¹³⁵R. Rose, Lesson-Drawing in Public Policy, p.129.

¹³⁶H. Wolman, “The Determinants of Program Success and Failure,” Journal of Public Policy, 1: 4 (1981), pp. 433-464, p.443.

¹³⁷G. Hoberg, “Sleeping with an Elephant.”

4. *Economic Resources*

Economic resources are another critical constraint for agents engaged in policy transfer: “Money matters, for programs vary greatly in what they cost, and it is hard to apply lessons learned from programs beyond the fiscal means of a public agency.”¹³⁸ In this way, Bennett demonstrated the importance economic constraints played in the transfer of data protection principles during the 1970s: “the 1970s were times of economic recession and of greater realism about what governments could achieve. Evidence of these themes is implicit, and in some countries explicit, in the debates over the choice of policy instruments.”¹³⁹

CONCLUSION

As this chapter has illustrated, policy transfer refers to the process by which actors borrow policies developed in another setting to develop programs and policies within their own setting. Here I have reviewed the literature associated with policy transfer organizing it into a coherent and usable framework. It is important to study and use the heuristic model I have developed within this chapter because it can enhance our understanding of the policy making process. By using policy transfer as a tool for understanding the decision making process and the process of policy making, policy transfer will allow social science better to understand what decision making factors are important across nations and what factors are unique to individual nations. To this end I shall use the concepts developed in this chapter to inform a case study of the American 1988 Family Support Act. My aim is to undertake a focused comparison between the United States and Britain to illustrate how the ideological rhetoric and programs of America’s welfare-to-work system were transferred by the Thatcher Government as an inspiration and model for the British welfare-to-work system. Where appropriate I will also illustrate how policy makers utilized past policy and other political systems in this process.

¹³⁸R. Rose, *Lesson Drawing in Public Policy*, p.96.

¹³⁹ C. Bennett, *Regulating Privacy*, p.217.

Chapter Two

The 1988 Family Support Act Constraints and Knowledge

INTRODUCTION

In the following four chapters I shall examine the development of the 1988 Family Support Act (PL. 100-485). With its passage on 13 October, 1988, Congress, the Administration and the nation's governors completed the first major overhaul of Aid to Families with Dependent Children (AFDC), America's primary needs-based welfare program. While there has been considerable scholarly discussion about the development and implementation of the 1988 Family Support Act (FSA), none of this work explicitly analyses the Act using a policy transfer framework. That is the aim of the following four chapters. In this chapter I will detail the key legislation constraining and shaping the decisions taken by federal policy makers leading to the development of the 1988 Family Support Act.

As I demonstrated in the previous chapter, policy transfer is a complex process whereby government officials adopt policies, programs or even institutions based on information gathered from other systems or times. In the next four chapters I will illustrate the process of internal policy transfer, where one level of government (in this case, the United State Federal Government) utilizes evidence of policies and programs being used or previously developed within the same county.

This case study shows that the Reagan Administration and Congressional leaders, particularly Senator Daniel P. Moynihan (New York) and Representatives; Harold E. Ford (Tennessee) and Thomas J. Downey (New York), developed the Family Support Act in response to widespread official and public dissatisfaction with the AFDC Program; as evidence of the failures of the Work Incentive Program (PL. 90-284) began to mount; and as evidence began to emerge regarding the success of other federal welfare-to-work programs, particularly the Food Stamp welfare-to-work program.¹ Most importantly, policy makers developed the 1988 Family Support Act based on evidence of State welfare-to-work programs, initiated in response to the 1981 Omnibus Budget Reconciliation Act (PL. 97-35).

¹The Food Stamp Program began as a demonstration project in 1961 and was adopted as a federal program in 1964.

I. HISTORICAL ANTECEDENTS AND CONSTRAINTS

As I argued in the previous chapter, historical antecedents often constrain the range of options available to policy makers, shaping what they look for and how they look. These constraints played a crucial role in determining what options were available to Congressional and administrative leaders developing the 1988 Family Support Act. These constraints shaped where policy makers looked for lessons and provided the internal elements of the Act.

A. Setting The Stage for Comprehensive Reform, 1935-1981

1. Structural Constraints

The Federally-funded American welfare system emerged in 1935 with the passage of the 1935 Social Security Act.² For this study, the most important program established by the Act was the small, federally-funded, means-tested program, Aid to Dependent Children, to support the children of widowed mothers.³

While debating the provisions of Title IV, Southern Representatives forced Congress and the Roosevelt Administration to allow States considerable latitude in implementing the Aid to Dependent Children program, by threatening to block the entire Social Security Bill if ADC was federally controlled.⁴ The compromise reached

²Besides establishing the Aid to Dependent Children Program, The Social Security act created several different programs designed to provide monthly cash benefits to any disabled or elderly American and their surviving family members, including an unemployment benefit program. For a complete discussion on the formation and elements of the 1935 Social Security Act see: T. Skocpol and J. Ikenberry, "The Political Formation of the American Welfare State: In Historical and Comparative Perspective," *Comparative Social Research*, 6: (1983), pp. 87-148; M. Katz, *In the Shadow of the Poorhouse* (USA, Basic Books, 1986); J. Patterson, *America's Struggle Against Poverty, 1900-1980* (Cambridge: Harvard University Press, 1981); L. Merriam, *Relief and Social Security* (Washington, D.C.: Brookings Institution, 1946); T. Schlabach and E. Witte, *Cautious Reformer* (Madison: State Historical Society of Wisconsin, 1969); E. Witte *Development of the Social Security Act* (Madison, University of Wisconsin Press, 1963); Waltman, Jerold L, *Copying Other Nations Policies: Two American Case Studies* (Cambridge: Schenkam, 1980); C. Weaver, *The Crisis in Social Security* (Durham, North Carolina: Duke University Press, 1982).

³ Title IV was included in the 1935 Social Security Act because the great depression forced States to abandon or cut back their general assistance (GA) programs, designed to help female headed families whose needs were beyond the means of voluntary organizations

⁴D. King, *Actively Seeking Work* (Chicago: University of Chicago Press, 1995); T. Skocpol and J. Ikenberry, "The Political Formation of the American Welfare State," in M. Weir, A. Orloff

within the House permitted States to establish their own eligibility requirements, benefit levels, standards of need, and income and resource limits, within prescribed federal guidelines and financial provisions.⁵ By establishing Aid to Dependent Children as a joint Federal-State program, Congress restricted the ability of future policy maker to alter the program, because once established, institutions shape and constrain the actions of future actors. Here the structure of the Aid to Dependent Children program (and its modifications), shaped how policy makers perceived the problems of the program, the acceptable ‘solutions,’ and the likelihood of success.⁶ Additionally, by providing States with the flexibility to design their own programs ADC encouraged States to defend the program’s structure whenever the federal government attempted to change it. Of equal importance in the process of internal policy transfer, the construction of Aid to Dependent Children, enabled individual States to act as laboratories for welfare initiatives, providing lessons federal policy makers used to develop the 1988 Family Support Act.

2. Growth of the Program

When the Roosevelt Administration included Aid to Dependent Children in the 1935 Social Security Act, the underlying assumption was that the program would remain small. They believed ADC would remain a minor program because, as social security established itself, the need to provide financial support to widows and their children would decrease. This belief was enhanced in 1939 with the passage of the Survivor’s Insurance Program, providing the family of deceased social security recipients the remainder of their entitlement.

and T. Skocpol (eds.), *The Politics of Social Policy in the United States*, (Princeton: Princeton University Press, 1988), Chapter 6 and 8.

⁵The federal nature of the American political system has led to the practice of providing federal funds and guidelines for programs, through grants-in-aid, but allowing States freedom in the implementation of programs.

⁶For more information on the New Institutional approach see: P. Hall, *Governing the Economy* (New York: Oxford University Press, 1986); P. Dunleavy, *Democracy Bureaucracy & Public Choice* (New York: Harvester Wheatsheaf, 1991); P. Lange and G. Garrett, “The Politics of Growth: Strategic Interaction and Economic Performance in the Advanced Industrial Democracies, 1974-1980,” *Journal of Politics*, 47 (1985), p. 792-827.

Despite this hope the number of families receiving Aid to Dependent Children dramatically increased after the late 1950s. One of the major reasons for this was federal reforms, particularly during President Johnson's 'War on Poverty.' During this period legislation expanded the program to include children who were deprived of parental support because their fathers were continuously absent from home, were incapacitated or unemployed. Legislation also allowed benefits to go to children in impoverished male-headed families when their mothers became incapacitated, absent or died.⁷ In 1961, with these reforms, the program was renamed, Aid to Families with Dependent Children. Finally, included in Title IV reforms was the creation of the AFDC-UP program (adopted in 28 States prior to the passage of the 1988 FSA, which mandated the program nation wide). The AFDC-UP program allowed States to extend Title IV coverage to two-parent families. These changes completed the program's evolution from an income-maintenance program for widows and their children to a general welfare program for any child in a family whose income fell below their State's need level.

3 Other Actors:

Briefly, it should also be noted that the Supreme Court played an influential role in the expansion of the AFDC Program, by eliminating legal barriers States imposed on federal eligibility rules. Of particular importance in this process were decisions eliminating the "suitable home" provisions, enacted by most Southern States, to prevent blacks and mothers of illegitimate children from claiming benefits.⁸

Additionally, the 1960s Civil Rights movement lead to a further expansion of the AFDC Program by encouraging eligible recipients to claim benefits. This was particularly important for during the first twenty years of the program the stigma attached to it and the general misinformation on eligibility prevented many eligible

⁷US Government, "Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means," Committee on Ways and Means, US House of Representatives, 100th Congress, 1 Session (Washington, D. C.: Government Printing Office, March 6, 1987), p. 388.

⁸Katz, In the Shadow of the Poor House; F. F. Piven and R.A. Cloward, Regulating the Poor. (New York: Pantheon Books, 1971); J. T. Patterson, America's Struggle against Poverty, 1900-1980; D. Ellwood, Poor Support (New York: Basic Books, 1988).

families from claiming their benefit entitlements. The Civil Rights movement also forced politicians to accept need for a comprehensive welfare system. Combined, these pressures provided the impetus for President Johnson's Great Society programs.⁹

4. And Now There Was WIN

By 1967 policy makers began questioning the expansion of the AFDC program,¹⁰ realizing women could work and raise a family. Hastening the change in political attitude toward the expansion of the AFDC program was a corresponding change in the emphasis of social policy, from a social work-service perspective to an economic emphasis. Due to the changing attitudes and beliefs within the country, Congress amended the Social Security Act to include the Work Incentive Program (WIN) within the AFDC Program.¹¹

While the 1967 WIN Program administered a federally-mandated work program for AFDC recipients, the act did not require States to adopt any specific programs or set of services.¹² Instead, it allowed States the freedom to establish employment programs of their design within broad federal categories, including: job search; community work experience (workfare); and work supplementation programs. Congress established WIN with the belief that it would prepare AFDC

⁹For a full discussion of this process see: E. Berkowitz, America's Welfare State (Baltimore: Johns Hopkins University Press, 1991); J. Patterson, America's Struggle Against Poverty, 1900-1985 (Massachusetts, Harvard University Press, 1986); M. Katz, In the Shadow of the Poorhouse; D. King, Actively Seeking Work.

¹⁰For government estimates on the rise of AFDC costs see: US Government, "Opportunities for Self-Sufficiency for Women in Poverty," Committee on Government Operations, House Report 99-459 (Washington, D.C.: Government Printing Office, December 1985); R. Walker, "Thinking About Workfare: Evidence From The USA," Social Policy Research Unit, (London: HMSO, 1987), p. 6; S. Danziger and D. Weinberg (eds.), Fighting Poverty: What Works and What Doesn't (Cambridge, MA: Harvard University Press, 1986).

¹¹For an excellent review of the work emphasis within previous relief programs see: Katz, In The Shadow of the Poorhouse; M. Katz, The Undeserving Poor: From The War On Poverty To the War on Welfare (New York: Pantheon Books, 1989); F. Block, R. Cloward, B. Ehrenreich and F. Piven, The Mean Season: The Attack on the Welfare State (New York; Random House, 1987); F. Piven and R. Cloward, Regulating the Poor; S. Danziger and D. Weinberg (eds.), Fighting Poverty.

¹²WIN was jointly administered by federal and State governments. At the federal level the Department of Labor and the Department of Health, Education and Welfare (today the Department of Health and Human Services), had joint jurisdiction over WIN. On the State level WIN was run jointly by local welfare agencies and Employment Service officials.

recipients to enter the labor market through the provision of job and skills training after an initial appraisal of employability and support service needs. Within this legislation Congress exempted anyone who: was under 16 or 19 if attending full time education; needed at home to care for a child under 6 an ill or disabled family member; was elderly (near or beyond retirement age); lived in an area too remote to participate; worked over 30 hours per week; or was incapacitated. Finally, before an AFDC recipient was required to participate within any WIN activities, Congress mandated that States had to guarantee support service would be provided.

As will become clear as I examine the details of the 1981 Omnibus Budget Reconciliation Act and the 1988 Family Support Act, these structural elements constrained policy makers restructuring the AFDC program. Moreover, federal policy makers utilized most of WIN's requirements and exceptions within later legislation. Even its founding principle; "to foster: a sense of dignity, self worth, and confidence which flow from being recognized as a wage-earning member of society," was reused during reform hearings.¹³

In response to widespread public and governmental disappointment with the level of participation in the WIN program, Congress passed the 1971 Talmadge Amendments (PL 92-223). The most important change to the WIN program contained within these amendments was the requirement for States to register all eligible AFDC recipients for WIN. The amendments also: shifted the responsibility for WIN registration from the State welfare agencies (which rarely referred AFDC recipients to the employment service for the program), directly to the employment service; required all eligible AFDC recipients to participate in job search and training programs; and required participants to accept suitable offers of employment.

Within these guidelines States developed diverse programs which federal policy makers utilized in the development of Title XXIII of the 1981 Omnibus Budget Reconciliation Act and the 1988 Family Support Act.

Briefly, Sara Gideonse and William Myers illustrate the importance the structure and design of the WIN program had on the future development of the AFDC program:

¹³US Government, "Work Related programs for Welfare Recipients," Congressional Budget Office (Washington, D.C.: Government Printing Office, April 1987), p. 8.

These proposals represent approaches that have always failed to increase significantly the ability of indigent families to become self supporting. Policies to combat indigence continually seem to be selected from a limited pre-existing repertoire of government responses...the new proposals [1988 FSA], touted as a significant shift in welfare policy, are hard to distinguish from WIN.¹⁴

B. Setting the Stage: 1981 Omnibus Budget Reconciliation Act (PL. 97-35)

1. WIN Constraints:

Before discussing the 1981 OBRA it should be noted that the structural constraints federal policy makers experienced while designing the 1988 FSA were echoed in State welfare-to-work programs initiated after the 1981 OBRA. As noted by the General Accounting Office:

Current work programs build on previous experiences in work program approaches, including job clubs, supported work, and workfare experiments from the 1970s and their own WIN experiences. The services the programs provide are not new.¹⁵

This was repeated by Mark Chadwin, John Mitchell and Demetra Nightingale during the passage of the 1981 OBRA. Specifically, they argue:

The similarities between WIN and welfare reform proposals currently under discussion [1981 OBRA] are striking. These proposals generally

¹⁴S. Gideonse and W. Meyers, "Why Workfare Fails," Challenge, 31: (January/February 1988), pp. 44-49, p. 44.

¹⁵US Government, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy," General Accounting Office (Washington, D.C.: Government Printing Office, January 1987), p. 37-8

involve similar objectives, mandatory participation requirements, and service strategies much like WIN's.¹⁶

2. The Reagan Revolution: Community Work And The OBRA

Keeping to his party's platform and his own campaign pledges to alter the welfare system, within three months of entering office President Reagan proposed the establishment of a nation-wide Community Work Experience Program (CWEP).¹⁷ This proposal was based on the Community Work Experience Program Reagan introduced as Governor of California in 1971.¹⁸ The key element in California's CWEP program was the introduction of a work requirement. Specifically, AFDC recipients were required to work for their benefits, at minimum wage, until their grant had been paid. This strategy and program were introduced nation-wide in section 2307 of the 1981 OBRA which allowed, but did not require States to adopt a CWEP program in the administration of their AFDC program.

It is worth mentioning two further clauses of section 2307 because they were copied directly into the 1988 FSA. The first mandated that: "the program does not result in the displacement of persons currently employed, or the filling of established unfilled vacancies."¹⁹ This rule appeared in section 484 of the 1988 Family Support Act as: "No work assignment...shall result in...the displacement of any currently employed worker or person or result in the impairment of existing contracts of services or collective bargaining agreements."²⁰

The second clause mandated that: "the participant will not be required, without their consent, to travel an unreasonable distance from their homes or remain

¹⁶M. Chadwin, J. Mitchell and D. Nightingale, "Reforming Welfare: Lessons from the WIN Experience," *Public Administration Review*, 41 (1981), p. 372-380, p. 372.

¹⁷Republican Party Platform of 1980, *Historic Documents of 1980* (USA, Congressional Quarterly Inc. 1981). p.574-575.

¹⁸It should be noted that this proposal was a direct example of policy transfer from a State to the federal government, promoted by a government official and his associates. See the previous chapter for more detail on the role of policy entrepreneurs and government officials in the promotion of policy transfer.

¹⁹US Government, *1981 Omnibus Budget Reconciliation Act*, (Washington, D.C: Government Printing Office, 1981), Section 2307.

²⁰US Government, *1988 Family Support Act* (Washington, D.C.: Government Printing Office, October, 1988), Section 484.

away from their homes overnight.” This appeared in section 484 of 1988 FSA as: “No participant will be required without their consent, to travel and unreasonable distance from their homes or remain away from their homes over night.”²¹

3. Work Training Programs In the OBRA

While Title XXIII of the Omnibus Budget Reconciliation Act contained numerous provisions affecting the AFDC program besides section 2307, the two most directly related to my study are 2308 and 2309. These sections provided States with the opportunity to establish work supplementation and Work Incentive Demonstration Programs. These programs proved to be pivotal in leading to the 1988 Family Support Act.²² Specifically, Section 2308 of the 1981 OBRA, permitted States to:

make jobs available, on a voluntary basis, as an alternative to aid to otherwise provided under the States Plan...a State may provide or subsidize any job position under the program as such State determines to be appropriate, but acceptance of any such position shall be voluntary.²³

Of more importance, while the other Title XXIII provisions were to be operated in conjunction with WIN, section 2309 permitted States to develop Work Incentive Demonstration Programs as an alternative to the WIN program. The primary purpose of demonstration projects was to allow States the ability to unify the administration of AFDC work, training and benefit programs into a single agency.

²¹US Government, 1988 Family Support Act, Section 484.

²²Some of the more important of these changes include: monthly retrospective income accounting, requiring States to base AFDC eligibility on the previous month's income instead of projected earnings, as in the past; A 4 month limit on the 30 and 1/3 rule which allowed AFDC recipients to keep the first \$30 of their work earnings each month, without it being counted as income for eligibility and benefit purposes. The One third rule permitted 1/3 of any further income to be disregarded for benefit and eligibility purposes. Title XXXIII also placed an overall cap on eligibility at 150% of a State's standard of need provisions.

²³This section also permitted States to operate on the job training (OJT) programs for AFDC recipients. Which was used in a number of States. US Government, 1981 Omnibus Budget Reconciliation Act, Section 2308.

Previously these programs and functions had been operated jointly by the employment service and State welfare agencies. Specifically, section 2309 stipulated that:

A State shall be free to design a program which best addresses its individualized needs, makes best use of its available resources and recognizes its labor market conditions...components...may vary by geographic area or by political subdivisions.²⁴

Note that the structural constraints placed on policy makers engaging in policy transfer are clearly demonstrated in this passage. Each of the elements listed were in the original WIN legislation and operating, in various forms, in all State programs prior to the passage of the 1981 OBRA.

C. Setting the Stage: 1982 Tax Equity and Fiscal Responsibility Act (PL. 97-284)

In response to the Reagan Administration's request for further changes in Title IV of the Social Security Act, Congress approved the 1982 Tax Equity and Fiscal Responsibility Act (TEFRA). While rejecting the Administration's request to mandate nation-wide CWEP, Congress did approved several substantial changes in the administration of the AFDC program.²⁵ The most important of these changes required applicants and recipients of AFDC benefits to participate in job search activities for up to 16 weeks the year they applied for benefits and eight weeks each subsequent year.

Besides allowing States to operate job search programs, TEFRA re-authorized the WIN demonstration programs for an additional two years. As will be demonstrated in the next section, in combination the 1981 OBRA and 1982 TEFRA allowed States to experiment with work and training programs. So that by 1987, 42 States were experimenting with the administration and components of their AFDC

²⁴US Government, 1981 Omnibus Budget Reconciliation Act, Section 2309.

²⁵For full details see: Congress and the Nation, Vol. VI 1981-1984 (USA: Congressional Quarterly Inc, 1985). p.596-598; US Government, Tax Equity and Fiscal Responsibility Act (Washington, D.C.: Government Printing Office, 1982).

programs. The information provided by these experiments was used by federal policy makers to justify and design the 1988 FSA.

II. POLICY TRANSFER: STATE TO FEDERAL GOVERNMENT: MDRC RESEARCH

A. Awareness

While I have demonstrated similarities between past legislation and the 1981 OBRA, examining the content of legislation to find similarities with past policy or current policy operating in different units of government does not prove the existence of policy transfer. Research must also demonstrate that policy makers knew about programs operating elsewhere and used this knowledge in the development of their own policies.²⁶ In the next three sections I will demonstrate that the 1988 Family Support Act fulfills all these criteria.²⁷

By permitting States to experiment with their AFDC programs, the 1981 OBRA and 1982 TEFRA provided the impetus and data needed to develop the 1988 FSA. Specifically, policy makers used data from State experiments as the impetus, justification and model for the 1988 FSA.

However before beginning to examine the influence of State programs on the development of the 1988 FSA it is important to establish how widespread these programs were by 1987. As Table 1 indicates, not only did every State and the District of Colombia operate a Win or Win demonstration, but the majority of States also operated Community Work Experience Programs and Food Stamp welfare-to-work programs.

²⁶See: C. Bennett, "What is Policy Convergence and What Causes It?" British Journal of Political Science, 21: (1991). p. 215-233.

²⁷At this point it is important to emphasize that even before the introduction of the 1988 FSA several bills were introduced based on the experience of California and Massachusetts. See: J. Rovner, "Welfare Reform: The Next Domestic Priority," Congressional Quarterly Weekly Report, 44: 39, (1986), p. 2285.

Table 1. National Coverage¹ of AFDC and food stamp work programs by number of counties and per cent of public assistance² caseload (as of 1986)

Program	States		Counties	
	Number	% of all States	Number	% of all counties
Win/Win Demo	51	100	1708	54.4
Job Search	22	43.1	940	29.9
CWEP	27	52.9	864	27.5
Grant Diversion	17	33.3	319	10.2
Food Stamp Job Search	37	72.5	752	24.0
Food Stamp Workfare ³	8	15.7	18	0.6

1 Coverage does not mean service.

2 This represents the number of public assistance recipients in counties with a given program taken as a percentage of all public assistance recipients.

3 Since Washington's food stamp workfare program was on hold, it is not included.

SOURCE: adapted from R. Walker, "Thinking about Workfare: Evidence from the USA," p. 22

Not only were most States operating some form of welfare-to-work program by 1986 but these welfare-to-work programs contained a variety of activities. I stress this because as will be demonstrated this was later reflected in the 1988 FSA.

Table 2 Proportion of all clients participating in each activity by program type (fiscal year 1985)

Activity	WIN Demonstration	CWEP	Job Search	Work supp/ grant div.
Work experience	4.5	91.4	0.9	20.2
On-the-job training	0.6	0.5	0.2	38.8
Supported work	0.7	0.0	0.0	13.8
Vocational skills remedial/basic education	2.3	1.7	2.6	1.2
Post-high school	3.2	3.4	2.3	2.2
Individual job search	1.6	1.8	3.1	0.0
Group job search	52.6	32.0	57.8	20.2
Direct placement	52.4	2.7	13.9	20.2
Other activities	16.2	0.4	6.9	20.2
Education and training ¹	1.1	0.0	20.4	5.2
Total number of participants ²	3.3	-	-	-
	474,735	19,437	36,867	2,867

1 Participants in education and training activities that could not be assigned to a specific category

2 The total number of participants used for this table excludes States which could not provide any break down of participation by activity. Percentages still may be understated, however, because some programs could not provide participation numbers of all the activities they offered.

SOURCE: R. Walker "Thinking About Workfare: Evidence From the USA," p. 24.

As these tables indicate, by the time Congress began developing the 1988 Family Support Act in 1986, States had developed an extensive history of operating welfare-to-work programs within their AFDC and food stamp programs. As the remainder of this chapter and the next three will demonstrate, evidence from these programs informed and shaped the contours of the 1988 FSA.

B. Researchers: The Manpower Demonstration Research Corporation.

In 1982, the New York based Manpower Demonstration Research Corporation (MDRC), in conjunction with the Ford Foundation and State and local administrators in Arkansas, San Diego (California), Cook County (Illinois), Maine, Baltimore (Maryland), New Jersey, Virginia and West Virginia, began a five year program to examine the effects of State and county responses to the 1981 OBRA and the 1982 TEFRA.²⁸ I shall thoroughly review MDRC findings in the next few pages because their studies played a crucial role in the process of formulating the 1988 Family Support Act, particularly The Job Opportunity and Basic Skills Program (JOBS) of Title II. As Fred Block and John Noakes noted at the time of the Act's passage: "In pursuing their welfare reform strategy, congressional Democrats have relied on the MDRC evaluations of the OBRA experiments."²⁹ MDRC studies not only informed federal policy makers of the effects, the components and the possibility of economic and social benefits achievable through AFDC reform, but demonstrated that States:

could design and implement programs that reflected their priorities and resources...[and] gave convincing evidence that a variety of

²⁸Several studies were added to this original list. For example, MDRC was commissioned to evaluate California's Greater Avenues for Independence and Massachusetts Education Training Programs in the later 1980s, but because these programs were highly publicized on their own and will be discussed later within this chapter I am not going to cover them while discussing the MDRC studies. It should also be noted that the findings from these studies had not been published by the time the 1988 Family Support Act was past into law, so they would not have influenced the legislation.

²⁹F. Block and J. Noakes, "The Politics of New-Style Workfare," *Socialist Review*, 18: (1988), pp. 31-58, p. 42. This same conclusion was reached by most authors examining the role of MDRC in the development of the 1988 Family Support act.

approaches in a range of conditions could both benefit welfare recipients and produce budget savings that exceeded the initial investment.³⁰

1. Preliminary Findings

Before demonstrating policy makers' awareness of MDRC's research and its influence on the design and passage of the 1988 FSA it is essential to examine their findings. As Judith Gueron and Richard Nathan note:

The evidence of strong programs and positive results prompted Congress to establish the JOBS program..The evidence of limited impacts and concentrated dependency also influenced the legislation. It prompted provisions in JOBS that set priorities and incentives intended to boost overall program impacts and lead to greater success with long-term welfare recipients.³¹

Finally, it should be noted that on 28 October 1987 Dr. Gueron testified before the Senate Committee on Finance because her written testimony included a copy of "Reforming Welfare with Work," as it appeared in *Public Welfare*, Volume 45, 1987. Since the article was directly available to Congressional and Administrative policy makers I am going to use it to illustrate MDRC general findings since policy makers would have been aware of these.

The first finding of importance for the development of the 1988 FSA was that most programs concentrated on job search and unpaid work experience:

Contrary to some expectations, the States in the study - reflecting the larger national response to OBRA - did not choose to implement universal workfare. Mandatory job search was more widely used. Among the demonstration States, only West Virginia...followed the

³⁰J. Gueron and E. Pauly, From Welfare to Work (New York: Russel Sage, 1991). p. 8.

³¹J. Gueron and E. Pauly, From Welfare to Work. p. 8.

model originally offered to the States as an option in the 1981 legislation: workfare with no limit on the length of the recipient's participation.³²

Moreover, MDRC demonstrated that States choosing to operate job search and work programs tended to offer a variety of programs, rather than relying on one designed for all participants.³³ For example, MDRC found that job search programs generally included one or more of the following components: Group job search, where individuals met in a supervised environment to search for employment and were provided with the equipment and supplies needed for their search and application; Job search workshops, where participants were taught the skills needed to find employment; And/or individual job search, in which participants acted alone but had to report their job search activities to a case manager at set intervals.

Moreover, the MDRC found:

Two versions of mandatory unpaid work experience exist...In the first, the CWEP or work-fare version, work hours are determined by dividing the AFDC grant by the minimum wage. The work requirement can be limited in duration or can be ongoing - that is, they last as long as recipients remain on welfare. In the second version - usually called WIN work experience because it was first used in the national WIN program - the number of hours worked is unrelated to the grant level and participation is generally limited to 13 weeks.³⁴

In conducting their research the MDRC found that most programs combined job search and CWEP into a sequential program. In these programs States would require a set period of job search activities followed by some form of CWEP. For example, in San Diego's SWIM program the MDRC found that: "services were

³²J. Gueron, "Reforming Welfare with Work," p. 19.

³³This was also the finding of the United States Congressional Budget Office when they examined Welfare-to-work programs. US Government, "Work Related programs for Welfare Recipients."

³⁴J. Gueron, "Reforming Welfare with Work," p. 19.

provided in a fixed sequence, with education and training required and reserved for those who did not find employment as a result of job search and following that, work experience.”³⁵

Of particular importance for the development of the 1988 FSA, the MDRC found that, as programs advanced, more resources were being placed in education and training services. This finding helped convince Congress of the necessity of including the Title II education and training programs.

2. MDRC: General Findings

For each project the MDRC conducted, they issued a research report which catalogued and discussed project specific findings. However, in this section I am going to summarize the findings generalizable across project boundaries, for these are the most relevant findings leading to the development of the FSA. Again it is worth stressing that unless specified, I am going to focus on the MDRC report, “Reforming Welfare with Work,” because it was submitted as evidence to the Senate Committee examining welfare reform. As such, Congressional policy makers had access to, and knowledge of, this report. I stress this because these are two of the conditions necessary for demonstrating the occurrence of policy transfer. It is also important to point out that the influence of the MDRC extended beyond the reports it compiled in conjunction with the Ford Foundation. Additionally, its staff produced articles in scholarly journals and major national newspapers. In fact, two of its Presidents, Barbara Blume and Judith Gueron, gave testimony to Congress. Finally, I want to emphasize that MDRC’s findings also had an indirect influence on the development of the 1988 FSA because they informed the work and recommendations of other people and institutions. For example, in April 1987, at the request of the Senate Budget Committee, the Congressional Budget Office (CBO) issued a report examining welfare-to-work programs for AFDC recipients, which relied on MDRC researchers for a substantial amount of their information. As stated in the introduction: “The co-

³⁵J. Gueron, “Reforming Welfare with Work,” p. 19.

operation of Judith Gueron and the staff of the Manpower Demonstration Research Corporation is especially appreciated.”³⁶

a. Establishing The Feasibility Of Linking Work And Benefits

Researchers at MDRC were concerned to establish the feasibility of linking AFDC benefits to work programs, for, as mentioned, Title XXIII of the 1981 OBRA was in part a reaction to the perceived failure of WIN to reach substantial numbers of AFDC recipients. MDRC found that: “most of the States studied, participation rates are running above those...in the WIN program...It is feasible...to tie the receipt of welfare to participation obligations.”³⁷ Moreover, the MDRC stressed that due to the poor economic environment and rural nature of West Virginia, the West Virginia demonstration project provided a clearer illustration of the positive effects participation requirements could have:

Overall, the findings of this study indicate that the State succeeded in its principal objective: providing a substantial number of welfare recipients with productive, long-term work experience...in a labor market suffering one of the highest unemployment rates in the nation.³⁸

MDRC’s findings demonstrated to policy makers that it was possible to design a national welfare-to-work program incorporating substantial numbers of the AFDC population. As will be discussed in the next chapter, this finding helped permit a compromise over participation rates as Congress used MDRC’s participation findings to set the requirement within the JOBS program.

³⁶US Government, “Work Related programs for Welfare Recipients,” p. VII.

³⁷J. Gueron, “Reforming Welfare with Work,” p. 19, 23.

³⁸D. Friedlander, M. Erickson, G. Hamilton and V. Knox, West Virginia: Final Report On The Community Work Experience Demonstrations (New York: Manpower Demonstration Research Cooperation, September 1986), p. vii.

b. Not Punitive

MDRC finding's also reduced the fear that CWEP "would be designed in a punitive fashion." Judith Gueron noted: "findings suggest that most States did not design or implement workfare with punitive intent."³⁹ In stating these findings MDRC highlighted evidence that work requirements were generally regarded positively by participants: "A large proportion of the participants responded positively to the work assignments. They were satisfied with the positions and with coming to work, and they believed they were making a useful contribution."⁴⁰

c. Target Long-Term Participants

In conducting their studies MDRC researchers also discovered that program participation benefited women more than men and those without 'recent' work histories more than those with recent work histories. Additionally, they discovered that the key group to benefit from the positive effects of the participation requirement were long-term AFDC recipients. As will be demonstrated in the next section, these findings were of critical importance in the development of targeting requirements in Title II of the 1988 FSA. Specifically, MDRC researchers found:

The programs were often most helpful for certain segments of the welfare caseload...employment increases were usually greater for women receiving AFDC than for men...and for those without prior employment compared with those with a recent work history.⁴¹

More importantly, for Congressional leaders trying to justify the development of the 1988 FSA, MDRC research demonstrated that: "The more disadvantaged...did not show consistent or large earning gains, but they produced a major share of the

³⁹J. Gueron, "Reforming Welfare with Work," p. 20.

⁴⁰J. Gueron, "Reforming Welfare with Work," p. 20.

⁴¹J. Gueron, "Reforming Welfare with Work," p. 21.

welfare savings. Even modest reductions in the number of longer-term recipients can produce substantial welfare savings.”⁴²

d. Overall Decreases In AFDC Beneficiaries

It is also important to note that as well as helping long-term welfare recipients, program participation lead to statistically significant decreases in the overall number of AFDC recipients. I note these findings in Table 3 because policy makers were heavily influenced by them given that one of the key justifications used to pass the Act was the desire and need to decrease the number of individuals receiving AFDC benefits.

Table 3: Changes in Average Time On AFDC

	EXPERIMENTALS (percent)	CONTROLS (percent)	DIFFERENCES (-)
Ever Received AFDC Payments			
San Diego [18]*	83.9	84.3	0.4
Baltimore [15]	94.9	95.1	0.2
Arkansas [9]	72.8	75.9	3.1
Virginia [12]	86.0	86.1	0.1
West Virginia [21]	96.8	96.0	+0.8
* Denotes length of follow-up, months			
Average Receiving Payments	Months AFDC		
San Diego [18]	8.13	8.61	0.48†
Baltimore [15]	11.14	11.29	0.15
Arkansas [9]	4.96	5.49	0.53†††
Virginia [12]	7.75	7.90	0.14
West Virginia [21]	14.26	14.46	0.21

††† Denotes statistical significance at the 1 percent level.

† Denotes statistical significance at the 10 percent level.

SOURCE: Adapted from: J. Gueron, “Reforming Welfare With Work,” p.22.

e. Decreased Cost

Closely associated with the targeting of resources and the overall decrease in the AFDC caseload amongst program participants, MDRC researchers discovered

⁴²J. Gueron and E. Pauly, From Welfare to Work, p. 31.

that State programs consistently lead to a decrease in AFDC payments (See Table 4). Again, as will be demonstrated in the following chapters, in designing the 1988 FSA policy makers were heavily influenced by these findings. As I illustrated, one of the key reasons for the passage of the Act, was Congressional dissatisfaction with the rising cost of the AFDC program.

Table 4: Changes In The Average AFDC Payment

	EXPERIMENTALS (percent)	CONTROLS (percent)	DIFFERENCES (-)
Average Total AFDC Payment			
San Diego [18]	\$3,409	\$3,697	\$288††
Baltimore [15]	3,058	3,064	6
Arkansas [9]	772	865	93†††
Virginia [12]	1,923	2,007	84††
West Virginia [21]	2,681	2,721	40

††† Denotes statistical significance at the 1 percent level.

†† Denotes statistical significance at the 5 percent level.

SOURCE: Adapted from: J. Gueron, "Reforming Welfare With Work," Table 2, p.22

So, when MDRC researchers demonstrated a wide variety of welfare-to-work programs could lead to welfare savings, Congress had one of the key justifications needed to develop the 1988 FSA.

f. Reduce 'Dependency'

Associated with the desire to decrease the AFDC caseload and its cost, policy makers wanted to reduce a perceived 'dependency' on State benefits amongst AFDC recipients. MDRC studies provided policy makers with evidence that State welfare-to-work programs were capable of reducing the number of recipients dependent on State benefits by increasing the number of individuals engaging in regular employment.

Table 5 reports MDRC findings which demonstrate that, in all States except West Virginia, welfare-to-work programs lead to statistically significant increases in participant employment. This finding is important, for it demonstrated that programs could lead to increased employment; the primary goal of the 1988 FSA.

Table 5: Employment and Earnings Data for Five Demonstrations

DEMONSTRATION	EXPERIMENTALS (percent)	CONTROLS (percent)	DIFFERENCES (-)
EMPLOYMENT			
San Diego [15]*	61.0	55.4	5.6†††
Baltimore [12]	51.2	44.2	7.0†††
Arkansas [6]	18.8	14.0	4.8†††
Virginia [9]	43.8	40.5	3.3†
West Virginia [15]	22.3	22.7	- 0.4
* Denotes length of follow-up, months.			
EARNINGS			
San Diego	\$3802	\$3102	+\$700†††
Baltimore	1935	1759	176
Arkansas	291	213	78†
Virginia	1119	1038	81
West Virginia	713	712	0

††† Denotes statistical significance at the 1 percent level.

†† Denotes statistical significance at the 5 percent level.

† Denotes statistical significance at the 10 percent level.

SOURCE: Adapted from: J. Gueron, "Reforming Welfare With Work," Table 2, p.22

Table 5 also illustrates, that except for West Virginia, State and local programs participation could increase participant earnings. Thus, MDRC research provided policy makers with information demonstrating that a variety of approaches could decrease dependency by increasing earnings and employment. These were three of the official goals of the 1988 FSA.

g. More Money More Components

One final finding was important in the process leading to the 1988 FSA. MDRC researchers found that, while the primary components used in State programs were job search and CWEP, when more money was available, and as the programs developed, more education and training components were added. These findings were extremely important in the development of Title II programs within the 1988 FSA.

Before concluding this section, it is important to realize that these findings were echoed in both testimony before Congressional hearings and Government reports examining the feasibility of a national welfare-to-work program

III. AWARENESS OF MDRC RESEARCH

It would be impossible to confirm policy transfer occurred based upon MDRC findings without first demonstrating policy makers were aware of MDRC studies. Once it has been established that policy makers were aware of MDRC's research it must then be illustrated that they used this knowledge in the development of the 1988 FSA. I am going to use Congressional hearings and government reports to confirm policy makers were aware of MDRC's findings and then used this knowledge in the development of the 1988 FSA.

A. Direct Knowledge Of MDRC Results: Congressional Hearings.

To demonstrate MDRC's studies lead to policy transfer, it must be shown that knowledge of MDRC evaluations was available and known to federal policy makers before they developed the 1988 Family Support Act. In this section I will demonstrate that policy makers in the Administration and Congress were aware of the MDRC studies and their content.

It is important to emphasize at the outset that part of the success MDRC experienced in influencing the 1988 legislation resulted from the fact that their studies relied on the co-operation of State and local officials to develop and implement the experiments. As a result of this process:

the project is not a test of centrally developed and funded reform proposals, but rather of programs designed at the State level in the new environment of OBRA flexibility and constrained funding. And, because these initiatives are often the States'...the study for the first time provides rigorous answers on the effectiveness of the WIN programs in its 1980s demonstration incarnation.⁴³

⁴³J. Gueron, "Reforming Welfare with Work," *Public Welfare*, 45 (1987), pp. 13-25, p. 17. This article summarizes the findings published in MDRC's 34 page official report on the completed experiments in five of the eight States operating MDRC experiments. J. Gueron, *Reforming Welfare With Work*, (New York: The Ford Foundation, 1987).

More directly Ray Koenig, a MDRC project manager and former head of San Diego's Employment Preparation Program noted that the evaluations were of particular importance because they provided:

the opportunity to influence State and even national policy...More directly those managing the demonstration can make their influence felt through contacts with local program operators, local, State, and national legislators and their staff; high-level State or federal administrators; individuals representing public interest groups and other researchers. All are forces in the creation of State and national policy. Assuredly, in our case, these groups relied on published reports of how the program fared; but many also wanted the views of those directly involved in the demonstration. They wanted our candid opinions about how we felt the program worked...what we learned. The modes ranged from telephone conversations to appearances at conferences and seminars, and even formal testimony. Our thoughts and opinions were valued as information that could not be obtained from reading a research report.

In addition to relying on State administrators and ideas in conducting their experiments, MDRC's studies were influential because they sought: "to ensure that the project produced findings of national relevance." To do so: "the States are broadly representative of national variations in local conditions, administrative arrangements, and AFDC benefit levels."⁴⁴ Additionally, MDRC choose States so that the final study would test: "a range of strategies rather than one program model, reflecting differences in State philosophies, objectives, and funding."⁴⁵

⁴⁴J. Gueron, "Reforming Welfare with Work," p. 17.

⁴⁵J. Gueron, "Reforming Welfare with Work," p. 17.

1. Reagan Sets The Stage

In response to President Reagan's 1986 State of the Union Message, pledging the administration to assist welfare recipients "escape the spider's web of dependency," various committees and subcommittees within Congress began holding welfare reform hearings. After the President's pledge, House Democrats immediately issued their own report on welfare reform calling for: "a renewed effort to help those dependent on government assistance obtain the education and training they require to become part of the work force."⁴⁶

2. House: Direct Knowledge

Taking the lead in Congress, the Subcommittee on Trade Productivity and Economic Growth of the Joint Economic Committee began holding welfare reform hearings on 23 April 1986. During this hearings Barbara Blum gave extensive testimony on the preliminary results of MDRC evaluations. During her testimony Professor Blum emphasized: the general feasibility of implementing widespread work requirements on AFDC recipients; and the positive economic and employment effects programs had for participants.⁴⁷ Briefly, these findings, in combination with testimony demonstrating the importance, use and effectiveness of education and training programs in States not evaluated by MDRC, helped persuade policy makers to include extensive education and training provisions in the 1988 FSA

In 1986 Professor Blum also provided testimony on MDRC findings to the Subcommittee on Public Assistance and Unemployment Compensation of the House Ways and Means Committee. This is important because the House Ways and Means Committee is one of four House Committees with jurisdiction over the AFDC program. Moreover, the Subcommittee on Public Assistance and Unemployment Compensation developed HR 1720, which formed the basis of the 1988 Family Support Act.

⁴⁶For more information see: J. Rovner, "Welfare Reform: The Next Domestic Priority?" *Congressional Quarterly Weekly Report*, 44: 39 (1986), p. 2281.

⁴⁷US Government, "Workfare versus Welfare," p. 80.

On 4 March 1987 Judith Gueron gave testimony to the Subcommittee on Public Assistance and Unemployment Compensation summarizing MDRC findings for programs in: San Diego, Baltimore, Arkansas, Virginia and West Virginia.

3. House: Indirect Knowledge Of MDRC.

One of the first witnesses to testify on the necessity of implementing a national, mandatory welfare-to-work program was Professor Lawrence Mead in testimony before the Sub Committee on Trade Productivity and Economic Growth 23 April 1986. Not only did Professor Mead call for a mandatory welfare-to-work program but he used MDRC's findings to illustrate the effectiveness of forcing welfare recipients to work for their benefits, arguing: "according to studies by MDRC...these programs have in some cases raised the share of recipients participation in work or training very sharply."⁴⁸

On Thursday 19 February 1987 the Subcommittee on Public Assistance and Unemployment Compensation held hearings restricting testimony to Representatives and Senators. During these hearings several members referred to MDRC studies and urged the subcommittee to implement their findings within any reform legislation developed. For example, in written testimony Representative Hank Brown of Colorado stated:

Welfare reform is clearly one of the major items on the agenda of the 100th Congress. One reason is that...excellent studies by the Manpower Demonstration Research Corporation in such States as California, West Virginia, and Maryland have shown that the number of AFDC mothers who can get unsubsidized employment can be increased by about eight percent. The MDRC studies also show that these programs can pay for themselves...If these studies can be

⁴⁸US Government, "Workfare versus Welfare," Hearing Before The Subcommittee On Trade Productivity and Economic Growth of the Joint Economic Committee, 99th Congress, 2nd Session (Washington, D.C.: Government Printing Office, April 23, 1986), p. 36.

generalized, we in the federal government should encourage more States to try the employment and training programs.⁴⁹

Representative Sander Levin of Michigan also noted the importance of MDRC studies and the need to implement their findings:

Last year MDRC gave us the first results of their...evaluation of work/welfare initiatives...the most important of the lessons...is that a number of quite different program approaches will lead to increased employment...it was after discussions with the managers of these and other similar programs that I have become convinced that we are ready to move on at least this part of welfare reform.⁵⁰

On Wednesday 4 March 1987 the Subcommittee on Public Assistance and Unemployment Compensation held another hearing, receiving testimony from Administration officials. It is insightful to review some of this testimony because it reveals the administration utilized MDRC findings in the development of their Greater Opportunities Through Work (GROW) proposal. For example, Robert B. Helms, the Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services, testified that: "We have also had recent studies [MDRC], particularly coming out of the WIN Demonstrations, showing that employment and training programs can reduce AFDC dependency...we have tried to use these findings to design our GROW proposal."⁵¹

⁴⁹US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, House of Representatives, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, January 28, February 19, March 4, 6, 10, 11, and 13, 1987), p.127

⁵⁰US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 178.

⁵¹US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 231.

4. Senate: Direct Knowledge⁵²

While I have demonstrated that both the House and Administration were aware of MDRC studies and recommended their adoption in federal policy, Senate policy makers also relied upon MDRC research. For example, on 23 February 1987 the Subcommittee on Social Security and Family Policy of the Senate Committee on Finance held the first of several welfare-to-work reform hearings. During these hearings Judith Gueron presented MDRC findings to the Committee. After her presentations, all the major House and Senate Committees involved in reforming the AFDC system had received direct information on MDRC findings.⁵³

The importance Senators placed on MDRC findings is reflected in Senator Bradely's questions to Judith Gueron; particularly given that she was one of the few witnesses specifically asked to advise the committee on the design of welfare reform:

Senator Bradely - if you were to counsel the committee, what would you say are the two most important things we should consider when we are looking at the work component of a welfare reform program.

Dr. Gueron - I think it is important that any legislation that emerges...provide resources for more intensive services...

Senator Bradely - So you think any program should not simply have a work component but also an education component and a child care component?

Dr. Gueron - Yes.⁵⁴

Committee members' interest in MDRC findings and their use of policy transfer is also evident from Judith Gueron's written testimony:

⁵²I want to note that while I have and will focus on the hearings held by the Subcommittee on Public Assistance and Unemployment Compensation, it should be noted that other House Committees, particularly Education, Labor and Agriculture, held their own welfare-to-work reform hearing.

⁵³For more information see: US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p. 163-166.

⁵⁴US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p. 171.

In its design for a new welfare employment program to replace WIN, Congress seems to be applying the lessons learned in recent years...Because our research showed that different programmatic approaches to linking welfare and work could be cost-effective...we feel it is important that the federal legislation not be overly prescriptive and that States be given considerable flexibility in the design of their programs, the choice and sequencing of components...We also feel that the opportunities for States to provide more intensive services, a broader array of education and training activities and additional support services are important...Programs should not work exclusively with the most employable...because the impact...on such individuals is smaller than on other more needy groups.⁵⁵

As will be demonstrated in the next chapter each one of these recommendations was accepted and drafted into the 1988 Family Support Act.⁵⁶

B. MDRC: Indirect Knowledge GAO-CBO

1. CBO

While Committee hearings provided direct knowledge of MDRC findings to Committee members, officials in the Reagan administration and Members of Congress were also provided with information on MDRC findings through the work of the Congressional Budget Office (CBO) and General Accounting Office (GAO). As noted in the 1987 CBO report, "Work Related Programs for Welfare Recipients," at several stages citing MDRC findings:

Much is being learned from the recent State initiatives that could be useful in formulating future federal policy on work and welfare. Evaluations by the Manpower Demonstration Research Co-

⁵⁵US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, (Washington, D.C.: US Senate, 100th Congress, 1st session, February 23, 1987), p. 174.

⁵⁶See: US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p. 144.

operation...indicate that carefully designed work related programs for AFDC recipients can be...successful.

2. GAO

The importance of MDRC staff and research in the development of CBO ideas was echoed in GAO reports. For example, in January 1987, at the request of the House Subcommittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations, the GAO issued a report, "Work and Welfare: Current AFDC (Aid To Families With Dependent Children) Work Programs and Implications For Federal Policy,"⁵⁷ which relied on MDRC findings. Briefly, Chapter one states:

we particularly noted the results of the Manpower Demonstration Research Corporation (MDRC) on-going study in 11 States...the programs MDRC is studying are from the same group covered by our survey; thus providing added depth.⁵⁸

While this demonstrates the CBO and the GAO were aware of MDRC research and used it in compiling their own reports, it does not demonstrate that federal policy makers were aware of it. However a few quotations from administration officials and Congressmen is all that is needed to demonstrate an awareness and use of this research in the development of the 1988 FSA. Testifying before the Senate Subcommittee on Social Security and Family Policy, Representative Sandy Levine stated:

The GAO has just completed its own study of work/welfare programs in 24 States...As this committee considers welfare and work ideas, I would draw your attention to GAO's recommendation for legislative

⁵⁷The contents of this report were crucial to the development of the 1988 Family Support Act, as the report examined existing welfare-to-work programs operating as of January 1987.

⁵⁸US Government, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy," p. 21.

action...[calling] on Congress to develop a coherent...Federal work program policy that would preserve some of the more desirable features of programs began in the last five years.⁵⁹

I use Representative Levine's testimony because it illustrates both an awareness of Senators and Representatives of the GAO's reports and their advocacy of their findings and recommendations in the development of welfare reform legislation. Additionally, Representative Levine submitted the GAO report to the official record of the Committee. So, it was generally available to all members of Congress.

Perhaps it is fitting to end this section with a brief quote from Professor Blume: "Without the MDRC demonstration, the potential for the welfare establishment to move ahead during the 1980s might never have been realized."⁶⁰

IV. STATE PROGRAMS: DIRECT KNOWLEDGE

A. House Testimony

While MDRC research was crucial in the process of policy transfer these studies were not the only source of information policy makers used to develop the 1988 FSA. During Congressional hearings, Representatives and Senators were also provided with information on the elements and operation of numerous State programs by State welfare administrators, members of Congress, and State Governors. This information helped shape key elements Titles II, III, and IV of the 1988 FSA.⁶¹ For example, on 28 January 1987 the Subcommittee on Public Assistance and Employment Compensation began a series of welfare reform hearings in which numerous witnesses referred to and described State welfare-to-work programs. Amongst these witness was Representative Please, a ranking committee member who argued:

⁵⁹US Government, "Welfare: Reform or Replacement," Hearings Before the Sub Committee on Social Security and Family Policy, p. 144-147.

⁶⁰B. Blume and S. Blank, "Bringing Administrators into the Process," Public Welfare, 48: (1990), p. 12.

⁶¹Title I of the 1988 Family Support Act, strengthened the child support enforcement system. I will examine this in Chapter nine.

Many demonstration programs have already been implemented, in the State of Massachusetts, the ET program has shown us that work programs for welfare recipients can make a difference. The State of Arkansas has already embarked upon an education initiative...California is about to begin a work, education, and training program...there are many other States that have already implemented...programs that we have had the opportunity to look at.⁶²

On 19 February the committee received further testimony to the success and usefulness of emulating of State programs. For example, Representative Hank Brown began the hearing by reminding members that:

Without lending our uncritical voice to the claims of programs such as ET...and GAIN...we in Congress should be heartened that State administrators are once again saying, not just that work is the solution to welfare, but they are getting better at preparing welfare clients for work.⁶³

At this point it is useful to quote extensively from the testimony of Representative Jim Bates who drew attention to the possibility of federal policy makers using lessons from the San Diego program:

Based upon the success of the San Diego program, I believe that workfare for those who can work is the direction we should take...The San Diego workfare program became a model for the States widely publicized program, Greater Avenues for Independence...That I think, can be a model for the nation...I can testify first hand that this program is a solution to the welfare problems in our country⁶⁴

⁶²US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 6.

⁶³US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 125-128.

⁶⁴US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 194. It should be noted, Representative Bates illustrated

I stress Representative Bates testimony because he concludes it with a perfect example of policy transfer in action, stating: “I intend to introduce...legislation which will incorporate San Diego’s brand of workfare into the two federal welfare programs - Food Stamps and AFDC.”⁶⁵

Representative Konnyu’s testimony, before the Committee is also interesting as he summarized California’s GAIN program and advocated its adoption nationally:

Today I would like to briefly describe to you the very successful program I authorized during my 6 years in the California State assembly. The program is entitled, “Greater Avenues for Independence” or GAIN...I will be working to formulate a bill which would modify the California GAIN program to work on a national level. GAIN is very workable...It is my dream to have such a successful idea eventually incorporated into a nation-wide welfare-reform program.⁶⁶

While neither Bates’ bill or Konnyu’s bill formed the House version of the 1988 Family Support Act, HR 1720, in combination the presence of their ideas and bills shaped the opinions and options members of the Subcommittee on Public Assistance and Unemployment Compensation used to design HR 1720.⁶⁷

B. Senate Testimony

As in the House of Representatives, the Senate Subcommittee on Social Security and Family Policy and the Senate Committee on Finance, heard testimony

the process of internal, State level policy transfer, as California used lessons from the San Diego program to develop GAIN.

⁶⁵US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 195.

⁶⁶US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 211-212

⁶⁷For more information on GAIN and its advocates see: US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 358-360.

about the design and importance of adopting State welfare-to-work programs on a national basis. For example, on 23 February 1987 Senator Daniel Patrick Moynihan, Chairman of the Subcommittee, opened the hearings stating: "Many States have already launched promising new programs. State officials tell us they know what needs to be done and they are looking to the federal government for some help."⁶⁸ During these hearings, "Staff Data and Materials on Employment and Training Programs For AFDC Recipients," was submitted to the official record. I note this because this material was a 64 page summary of all active State welfare-to-work programs, highlighting the key elements within each program. The inclusion of this data indicates that every member on the key committee designing S 1511, knew about the key elements of every State's welfare-to-work program.⁶⁹

It is worth quoting Representative Levine's testimony because it demonstrates both policy transfer in action and the extensive use of evidence regarding State welfare-to-work programs:

Last year...I introduced legislation entitled the Work Opportunities and Retraining Compact (WORC), which is drawn from...State experiences...as this committee considers welfare and work ideas, I would draw your attention to...Federal work program policy that would preserve some of the more desirable features of programs began in the last five years.⁷⁰

Another witness, Art Agnos, a member of the California State Assembly and chairman of the GAIN joint oversight committee, provided evidence to committee regarding the GAIN program:

It is a State of the art program which offers training, education, and child support...we used the very best knowledge available...and we

⁶⁸US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, 4.

⁶⁹ It is important to note that this material was published at an early stage in the development of the 1988 Family Support Act.

⁷⁰US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p. 146-147.

especially benefited from...Massachusetts. In fact, Governor Dukakis was almost like a personal tutor to me while we were working on the legislation in our State...I think it offers a great deal to the country.⁷¹

At the same time David Swoap, Secretary of California's Department of Health and Welfare testified that:

The GAIN Program...Was a direct result of the 1981 reconciliation changes...in developing the GAIN legislation we moved very carefully to build upon what we believed to be a number of the best elements in a number of the State across the country. In developing the legislation we actually went out and surveyed West Virginia, Pennsylvania, Massachusetts, and of course San Diego...and tried to build upon what we felt were the most positive elements...That in turn was incorporated into the 1985 Statute.⁷²

I emphasize the testimony of Art Agnos and David because it both illustrates Congressional awareness of California's and Massachusetts' welfare-to-work programs but also the process of State-to-State policy transfer.

As the above review of Congressional testimony illustrates, Congressional leaders were aware of State welfare-to-work programs and advocated using this information in the development of a national welfare-to-work program. As Chairman Ford, declared: "I am familiar with the program [GAIN] you implemented, as a matter of fact we watched the legislation with great interest."⁷³

⁷¹US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p.79

⁷²US Government, "Workfare versus Welfare," Hearing Before the Subcommittee On Trade Productivity and Economic Growth, p. 87-98.

⁷³US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 212.

CONCLUSION

In this chapter I have illustrated the structural constraints prior legislation placed upon policy makers developing the 1988 Family Support Act. I have also demonstrated that Congressional and Administrative knowledge of the State welfare-to-work programs initiated in response to the 1981 OBRA. In the next two chapters I am going to show how policy makers utilized this knowledge to justify and develop the 1988 FSA. Specifically, in Chapter three I am going to illustrate how some of the key general provisions within the Act emerged through the process of policy transfer. Subsequently, in Chapter four I will show how the key provisions of the JOBS program were transferred directly from previous legislation I will then demonstrate the negative lessons policy makers wrote into the Act as a result of State experiences in operating their welfare-to-work programs. Finally, I will conclude the Chapter with an examination of the ideology and ideas used during the Congressional hearings inspiring policy makers to pass the legislation.⁷⁴

⁷⁴Recall from Chapter one, policy transfer does not have to lead to the copying or emulation of a program but simply inspire others.

Chapter Three

The 1988 Family Support Act
Basic Ideas And Programs
Attributable To Policy Transfer

INTRODUCTION

In the previous chapter I demonstrated how the prior structure of the AFDC and WIN programs constrained policy makers decisions concerning future welfare reform. I also demonstrated that Congressional leaders: were aware of State level welfare-to-work programs; were urged to use this information in the development of the 1988 Family Support Act; and presented several bills modeled directly on State and local programs. Of particular importance in this process were MDRC studies because they provided policy makers with the information and justifications needed to pass welfare reform. In this Chapter I shall discuss the actual elements of State programs transferred by administrative and Congressional policy makers in developing the 1988 FSA. I will demonstrate that all the major structural elements within the Act were recurrent themes in both Congressional hearings and the welfare-to-work reports. These themes included: the importance of educational programs for welfare recipients; the need to target young and long-term AFDC recipients; the need to include job search and job training programs; the need to provide States flexibility in the design of their welfare programs; the importance of mandating AFDC-UP nation wide; the need to provide child care and other support services to program participants; the need to guarantee transitional services for AFDC recipients leaving the program; the need to prohibit the displacement of currently employed workers; the need for contracts between recipients and the State, and the provision of case managers for program participants.

I. IMPORTANCE OF STATES: THE ACTUAL TRANSFER

A. Education

One of the major conclusions of all groups providing testimony to Congressional Committees examining welfare reform was the need to provide the majority of AFDC recipients with basic education skills. This information when combined with studies indicating that one of the major barriers to employment for AFDC recipients was a severe lack of educational attainment led Congressional policy makers to include extensive education requirements and programs within the Act.

1. The Act

While several sections of the 1988 FSA cover educational requirements and activities Section 201, Subsection E and Section 482 are the most important. Both sections reflect the major recurring themes within Congressional hearings. Specifically, Title II, Section 201 Subsection E states:

in the case of a custodial parent who has not attained 20 years of age, has not successfully completed a high school education (or its equivalent), and is required to participate in the program...The State agency...will require such parent to participate in an educational activity...the State agency may...require a parent described in clause (i)...to participate in the educational activities directed toward the attainment of a high school diploma...on a full time basis.¹

Section 482 prescribes the services every State must include in its welfare-to-work programs. Part of this section states:

In Carrying out the Program, each State shall make available a broad range of services and activities...Such services and activities- “(i) shall include- “(I) Educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency²

Not only were AFDC recipients under 20 provided with access to educational activities, they were also required to attend classes directed toward the attainment of

¹US Government, 1988 Family Support Act, (Washington, D.C.: Government Printing Office, 1988), Section 201

²US Government, 1988 Family Support Act, Section 482.

a high school diploma or classes consistent with their employment goal before the State could enroll them in any other component of the welfare-to-work program:

if the State requires an individual who has attained the age of 20 years and who has not earned a high school diploma (or its equivalent) to participate in the program, the State agency shall include educational activities consistent with his or her employment goals as a component of the individuals participation...Any other services or activities to which such a participant is assigned may not be permitted to interfere with his or her participation in an appropriate educational activity under this subparagraph.³

2. Senate Testimony

The inclusion of an extensive educational requirement came directly from Congressional testimony, demonstrating the importance State administrators, Governors, Congressmen and experts at the GAO and CBO placed in including educational activities in welfare-to-work reform legislation. Of particular importance in the development of the educational requirements in the 1988 FSA, was Congressional testimony demonstrating that States which had initiated simple programs intended to alter them to included extensive education and training activities, after discovering its importance in helping AFDC recipients gain employment. For example, on 23 February 1987 Art Agnos testified before the Senate Subcommittee on Social Security and Family Policy that, while implementing the GAIN program, California discovered: "The Federal government has several areas where it can be helpful...First by defining remedial education as an allowable activity under regular work program."⁴ On the same day Senator John Danforth noted the importance Missouri placed in funding education programs for AFDC recipients:

³US Government, 1988 Family Support Act, Section 482.

⁴US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, US Senate, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1987), p.83.

Governor Ashcraft...has done a unique job in tying together the concepts of welfare reform and increasing educational opportunities. His view has been that, if people are to be lifted out of permanent welfare status they have to have educational opportunities.⁵

It is worth extensively citing Governor Ashcroft, for his testimony illustrates the importance which States were beginning to place on the funding of educational activities for AFDC recipients. Additionally, he concludes his testimony by calling on Congress to emulate State programs, demonstrating the process of State-to-State policy transfer.

It is a pleasure to...discuss Missouri's learnfare/welfare-to-work proposal...It is evident that the educational grade level attained is a significant factor in obtaining employment...Among persons leaving welfare to take jobs those who had completed twelfth grade accounted for over 50% more placements than those who had not...It is the literacy levels of welfare recipients that needs to be raised...In Missouri...Learnfare will remove the lack of high school education as a barrier to employment...We know that previous job training programs for welfare clients have suffered from the fact that many recipients don't have the necessary educational levels to make them really ready for training...Learnfare...the proposal is this: Those who lack high school diplomas or equivalent GE would be required to register in adult basic education or equivalent high school education programs...National welfare reform proposals, I think, must acknowledge the importance of State and community based reforms...I am very pleased to be say that many of my ideas come from bouncing these ideas around between and among the governors, and that I am grateful to them of their assistance⁶

⁵US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p.338

⁶US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p. 384-351.

Senator Stanford of North Carolina summarized the consensus building around the need to provide educational programs within any federal welfare-to-work program: "Education has got to be a fundamental part of welfare reform...no matter what age, we ought to have the door open for them to return to school and to get the kind of education that will help them...make something of their lives."⁷ Stephen Heintz, Commissioner of Connecticut's Department of Income Maintenance and chairman of the American Public Welfare Association's welfare reform committee, echoed this sentiment when he told members: "Under S1511, a State may include that full range of activities; we think it very important that States be required to recognize education...as part of a welfare to jobs program."⁸

3. GAO

On April 22 1987 the Senate Committee on Finance requested the GAO to conduct an in-depth examination of WIN Demonstration projects initiated in Massachusetts, Michigan, Texas and Oregon, in response to Title XXIII of the 1981 OBRA. In presenting their findings, the GAO emphasized the importance States placed on educational activities for AFDC recipients: "Michigan urges that education be considered for those without a high school diploma or equivalent...In, Massachusetts, any participant can choose education."⁹

The GAO also reported that, while initial Texas and Oregon programs lacked educational components, both intended to develop educational components into their welfare-to-work programs. The GAO emphasized that Texas and Oregon decided to include educational components as it became apparent to the administrators of their welfare-to-work programs that education was a necessary component of a successful program.¹⁰

⁷US Government, "Welfare Reform," Hearings before the Committee on Finance: US Senate, 100th Congress, 1st session, (Washington, D.C., Government Printing Office, 1987). p. 9.

⁸US Government, "Welfare Reform," Hearings before the Committee on Finance, p. 58.

⁹GAO, "Work and welfare: Analysis of AFDC Employment Programs in 4 States," (Washington, D.C.: Government Printing Office, 1988). p. 50-51.

¹⁰GAO, "Work and welfare: Analysis of AFDC Employment Programs in Four States," p. 2.

I note this report because, as discussed in the previous chapter it was available to Congressmen and cited by numerous witnesses during testimony before the House and Senate Committees examining welfare reform.

4. House Testimony

Members of the House of Representatives were also apprised of the importance of education by a variety of witnesses, who: described the educational components of State and local welfare-to-work programs; referred to GAO findings; calling on Congress to include educational components in any reform of the welfare system. For example, in written testimony submitted 19 February 1987 Representative Charles Rangel of New York Stated that in any welfare reform legislation Congress considered: “Basic education is first. We must make sure that the welfare parents become literate and that they receive high school degrees.”¹¹

B. Targeting: long-term recipients

1. The legislation

A second element of the 1988 FSA to emerge through the process of internal policy transfer was the targeting of benefits on long-term AFDC recipients and those likely to become long term recipients. While various groups are targeted for specific services and activities within the Act, Section 486 subparagraph B, stipulates that the priority target population for the JOBS program was anyone who:

“(i)(I) is receiving aid to families with dependent children, and “(II) has received such aid for any 36 of the preceding 60 months immediately preceding the most recent month for which application has been made; (iii) is a custodial parent under the age of 24 who (I) has not completed high school education and at the time of application for aid

¹¹US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, US House of Representatives, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1987), p. 110.

to families with dependent children, is not enrolled in high school (or a high school equivalency course of instruction), or (II) had little or no work experience in the preceding year; or “(iv) is a member of a family in which the youngest child is within 2 years of being ineligible for aid to families with dependent children because of age.”¹²

2. GAO/MDRC

In their second review of State welfare-to-work programs initiated after the 1982 TEFRA, “Work and Welfare: Analysis of AFDC Employment Programs in Four States,” GAO researchers emphasized the importance State administrators placed on the targeting of resources on long-term AFDC recipients:

there has been extensive discussion about whether welfare employment programs should serve certain groups of welfare recipients before other groups. Some research suggests that programs serving AFDC recipients with children under 6 years of age and the more disadvantaged recipients (including long-term welfare users and those with little education or work experience) might produce the greatest benefits in the long run. As a result, welfare reform bills often require targeting these groups or adjusting required levels of performance to account for the greater difficulty of serving disadvantaged, harder-to-serve groups.¹³

Additionally, as we saw in the previous chapter MDRC’s findings and recommendations echoed the GAO’s. Specifically, MDRC researchers recommended

¹²US Government, 1988 Family Support Act, Section 486. To encourage States to target these groups section 403 of the Social Security Act was amended to require States to spend at least 55 percent of their AFDC funding on target groups in order to receive enhanced federal matching funds. If States do not allocate 55 percent of their funds toward target groups the federal government will reduce their matching funds to 50 percent of the State’s program expenses instead of the enhanced 90 percent rate for JOBS and 60 percent Medicaid matching rate.

¹³GAO, “Work and welfare: Analysis of AFDC Employment Programs in 4 States,” p. 26.

that for welfare-to-work program to be successful funding must be target on the most needy and those without recent work experience.

Throughout Congressional Committee hearings witnesses emphasized the importance of targeting resources on long-term AFDC recipients or the subgroup who remained on AFDC benefits for over eight years.

3. House Testimony

Testifying before the Subcommittee on Public Assistance and Unemployment Compensation on 6 March 1987, Robert Greenstein, Director of the Center on Budget and Policy Priorities, noted the importance of targeting benefits on long-term AFDC recipients. It is useful to quote at length from Robert Greenstein's testimony for, in addition to using research results to show the usefulness of targeting, he emphasized research findings suggesting that, far from targeting benefits, State programs were serving the most job ready AFDC recipients. As I noted when reviewing the MDRC findings in the previous chapter, these were the recipients least likely to benefit from welfare-to-work programs because they would naturally leave the benefit rolls within two years. Because of the research demonstrating States concentrated program activities on the most job ready, Robert Greenstein urged the Subcommittee to require States to target welfare-to-work programs on long term AFDC recipients:

one of the key findings of research...is that work-and-welfare programs seem to be more cost effective with recipients who have less work experience and greater barriers to employment...Helping them can have greater impact on reducing public assistance costs and reducing long term dependency...Unfortunately, the...GAO...reports that many States work-and-welfare programs are placing emphasis precisely on those with less serious employment barriers and are providing less intensive help to those who tend to stay on the roles the longest. In some States the GAO reported, those recipients who have the least work experience, the most serious education deficiencies, and the greatest

need for child care are screened out...because helping them would involve providing services...regarded as too costly...*The GAO concluded that the evidence suggests encouraging programs to work with people with more severe barriers to employment could improve the long term effectiveness...*The point I am trying to get at is that...I would hope that legislation would place a particular emphasis on ensuring that the necessary resources are there to serve the people with the more serious barrier who tend to stay on the rolls the longest.¹⁴

4. Senate Testimony

Senate Committees also received evidence from a variety of witnesses on the importance of targeting long-term AFDC recipients. One of the more important witnesses to testify to this was Mr. Stanian. In his written testimony, Mr. Stanian stated: "There is a certain portion of the case load who are on aid for an extended period. These are the people that welfare reform should clearly target. All bills introduced to date fail to do this."¹⁵ It is important to note Mr. Stanian's testimony because it indicates that the decision to target long-term benefit recipients occurred after 28 October 1987.

C. Women With Children 3 Years Of Age (1 At State's Option)

As I discussed in the previous Chapter, the welfare-to-work legislation passed during the 1960s and 1970s provided a number of exceptions to participation. One of the key exemptions was that mothers with children under six years of age were exempt from program participation. This exemption accounted for the majority of AFDC recipients exempt from WIN. The evidence from State WIN demonstration programs showed that mothers with children as young as one could successfully be required to participate in welfare-to-work programs. Congressional testimony to this

¹⁴US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 264-265

¹⁵US Government, "Welfare Reform," Hearings before the Committee on Finance, p. 87.

effect led to the 1988 Family Support Act lowering the age exemption from six to three. At a States' option this can be lowered to one, provided the necessary support services are available.

1. The Legislation.

As amended by the 1988 Family Support Act, Section 402 (a)(C)(iii)(I) of the Social Security Act exempts: "the parent or other relative of a child under 3 years of age (or, if so provided in the State Plan, under any age that is less than 3 but not less than one year) who is personally providing care for the child."¹⁶

2. GAO

The change in regulations reflects information provided during Congressional testimony about the operation of State programs and the information provided by Government reports examining State welfare-to-work programs. In fact, in "Work and Welfare: Current AFDC Work Programs and Implications for Federal Policy," the GAO reported that women receiving AFDC with young children accounted for the majority of program cost and were the most likely to remain on AFDC for an extended period of time. After noting these findings, GAO researchers advocated lowering the age at which the youngest child would exempt a parent from program participation from six to three. The GAO reported that not requiring women with children between the ages of three and six to participate in welfare-to-work programs was severely detrimental to the woman, leading to her dependence on welfare as she was put at "a disadvantage in the labor market."¹⁷

¹⁶US Government, 1988 Family Support Act, Section 402.

¹⁷ For a full account see: GAO, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy," p.56.

3. House Testimony

Testifying before the House Subcommittee on Public Assistance and Unemployment Compensation 13 March 1987 Paula Macilaine, Commissioner of Montgomery County Ohio, and Chairwoman of the NACO work and welfare reform task force, argued that the States, Montgomery County and the NACO wanted to include parents of children as young as six months in welfare-to-work programs:

There must be stronger work requirements for adult AFDC clients. In particular, we are considering requiring AFDC clients with children 6 months or older to either work, pursue a high school degree or enroll in training, if day care and medical care are available.¹⁸

Stephen Heintz echoed these sentiments during his testimony before the committee. However, instead of insisting on six months, the American Public Welfare Association, believed that three years should be the minimum age acceptable for exempting a mother from program participation:

Our proposals...are based on our experiences [in State agencies]...especially the successful WIN demonstration projects that have occurred in a number of our States...In terms of client obligation we recommend that employment or education...be required of all parents with children age 3 or older.¹⁹

4. Senate Testimony

Representing the National Governors Association, Governor Bill Clinton testified before the Senate Committee on Finance. In this testimony Governor Clinton recommended a compromise:

¹⁸US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 602.

¹⁹US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p 13.

Maybe what we ought to do is to basically say age three, but the States can go down to one if they demonstrate that, quality, appropriate child care is available. That if the State can't do that then you have to take voluntary participants of the parents of children between one and three.²⁰

I am stressing Governor Clinton's recommendation because it appeared almost to the word in Section 402 subpart D.

D. AFDC-UP

In direct response to information provided during Congressional testimony, Congress required States to adopt the Unemployed Parent Program (AFDC-UP). Prior to the 1988 FSA States were given the option but not required to operate an AFDC-UP program. For this reason only 27 States and the District of Columbia were operating AFDC-UP programs prior to the passage of the 1988 FSA. The primary sections within the Act concerning the AFDC-UP program are Title IV and Section 403 of Title II.

1. The Legislation

a. Title IV

Title IV mandates AFDC-UP nation-wide, beginning 1 October 1990, by replacing the optional wording within the Social Security Act with the phrase: "shall provide." As part of this mandate Title VI requires that: "cash payments not be made to families until after the required activities had been performed."²¹ This ensures families participate before they are eligible for benefits not after as in the regular AFDC program. Secondly, Title IV requires that, if a State was operating an AFDC-

²⁰US Government, "Welfare Reform," Hearings before the Committee on Finance, p. 31.

²¹J. Rovner, "Congress Approves Overhaul of Welfare System," Congressional Quarterly Weekly Report, 46: 41 (1988), p. 2830

UP program before 26 September 1988, they continue to implement that program. Other States had to implement an AFDC-UP program but could limit cash benefits to as few as six months out of each twelve.²²

I note this Title, because it is transposed almost word-for-word from oral and written testimony submitted by Cindy Haag, Director of the Office of Assistance Payments of the Utah Department of Social Services. For example, her written testimony states:

This document shares our experiences in operating the limited, work-oriented alternative to AFDC-UP...Payment is made only after performance...[and] assistance is limited too 6-months in a 12 month period.²³

In fact, evidence of the use of Utah's program can be glimpsed from the pages of *Congressional Quarterly Weekly Report*:

at Bentsen's instance, a compromise was reached that would permit States to limit benefits to six months out of every 12, And, like an experimental program in Utah, it would permit States to require one or both parents to participate full time in education and training activities (assuming child care is provided), and pay the benefits only *after* the work or training obligations have been met.²⁴

b. Section 403

Section 403(1)(4)(A)(i) of the Social Security Act, as amended by Title II, establishes the only nationally required "workfare" program within the Act. In other words, the mandatory 'workfare' component of the Act is directed at AFDC-UP participants. I mention this because previous scholars examining the Act have not

²²See: US Government, 1988 Family Support Act, Title IV.

²³"Welfare Reform," Hearings before the Committee on Finance, p.96

²⁴J. Rovner, "Senate Finance Endorses Modified Welfare Bill," Congressional Quarterly Weekly Report, 46: 17, (1988), p. 1070.

recognized this important distinction between the mandatory nature of work elements for the AFDC-UP program, and the option to develop work programs as an element of an extensive program for other AFDC recipients.²⁵

It is important to emphasize that Section 403 mandates workfare for AFDC-UP participants but also restricts States in the implementation their workfare programs. Under this section only one parent in two parent families is required to work (though at the State's option if the necessary child care and support services are offered both parents may be required to participate). Additionally, AFDC-UP participants are only required to participate in workfare for 16 hours per week. Furthermore, this section exempts those under 25 from a work requirement as long as they are enrolled in courses directed at the completion of a high school diploma or its equivalent.²⁶

After establishing the "workfare" program within the AFDC-UP program, the Act goes on to specify participation requirements which States are obliged to meet in order to receive full federal matching funds for the program. Briefly, Section 403 requires States to enroll 40 per cent of their eligible AFDC-UP case load by 1994, increasing in 10 per cent increments until 1997 or 1998 when they must have at least 75 per cent of the eligible AFDC-UP case load enrolled in the JOBS program.²⁷

These Sections are crucial for they establish that States must have an AFDC unemployed parent program; at least one parent is required to participate in a work-related component of the Act; and set increasing enrollment requirements for AFDC-UP participants. All of these requirements can be found within Congressional testimony describing the operations of State welfare-to-work programs.

2. Congressional Testimony

As previously mentioned, a key witness persuading Congress to include the AFDC-UP program within the 1988 FSA, over the consistent objections of the Reagan administration (which had forced Congress to remove AFDC-UP provisions

²⁵This is why I have not referred to the 1988 Family Support Act as a 'workfare' It is only a workfare program for a small category of AFDC recipients.

²⁶See: US Government, 1988 Family Support Act, Section 403.

²⁷See: US Government, 1988 Family Support Act, Section 403.

from the 1986 and 1987 Budget Reconciliation legislation), was Cindy Haag. As she Stated:

Utah learned the hard way...what it is like when you don't serve two parent households...without the program in place, we heard...that families were breaking up. The mothers and the children were coming back on full AFDC...we were breaking up the families...We did a study and found that to be true.²⁸

To reinforce the importance States were placing in the AFDC-UP program Cindy Haag discussed how other States were turning to the Utah program in designing or redesigning their programs:

We have had numerous inquires and visits from other States. In fact Indiana had never had an AFDC-UP program but plans to implement a program modeled after the Utah AFRDC/WFP program.²⁹

Various other witnesses testified to the necessity of mandating a nationwide AFDC-UP program including Senator Daniel Evans of Washington State. Echoing Cindy Hagues testimony, he Stated: "in Washington AFDC-UP was withdrawn, devastating these families to the point 38% moved to AFDC, meaning they split up simply to get benefits, that's sick, it sends the wrong signal."³⁰

While several other Representatives echoed this sentiment throughout the Congressional hearings, Virginia Austin, President of the Association of Junior Leagues, summarized State findings and the sentiment felt by many members of Congress when she Stated:

In the 25 States without AFDC-UP, many unemployed parents...may be forced to choose between trying to keep the family together, and

²⁸US Government, "Welfare Reform," Hearings before the Committee on Finance, p.42

²⁹US Government, "Welfare Reform," Hearings before the Committee on Finance, p. 106.

³⁰US Government, "Welfare Reform," Hearings before the Committee on Finance, p. 12-13.

deserting so that their children may receive money...we believe that it is really short sighted to support any kind of policies that encourage the family to break up.³¹

E. Child Care/Support Services

There were numerous sections within the Act concerning child care and support services. However, Title III was dedicated to the provision of support and transitional services for AFDC applicants and recipients. Moreover these services had to be provided before individuals could be required to participate in the JOBS program. The inclusion of these provisions was heavily dependent upon structural constraints and knowledge of the WIN program. As we saw in the previous Chapter, the WIN program mandated that child care and transportation services be provided to AFDC recipients before they could be required to participate in the program. However, because these services were under funded they were never provided on a broad basis.

In addition to the structural constraints imposed by the WIN program numerous witnesses testified to the necessity of providing child care and other support services within in their State programs. Finally, as reported in the *Federal Register*:

a number of studies of possible factors fostering welfare dependence cite the need for reliable and affordable child care in order obtain and maintain employment. Lack of other support services, such as transportation, has also been mentioned as hindering employment.³²

³¹US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 313.

³²DHSS, "Aid to Families With Dependent Children; Job Opportunities and Basic Skills Training Program and Child Care and Supportive Services; Final Rule," Federal Register, 45: 197 (Washington, D.C.: US Government Printing Office, Friday October 13, 1989), p. 42146.

1. The Legislation

In response to the perceived shortcomings of the WIN program and Congressional testimony emphasizing the necessity of providing support services for the success of any federally sponsored welfare-to-work program Congress included numerous provisions for these services within the 1988 FSA. For example, Section 301 of Title III States:

Each State agency must guarantee child care in accordance with Subparagraph (B) - “(i) for each family with a dependent child requiring such care, to the extent such care is...necessary for an individual in the family to accept employment or remain employed; and “(ii) for each individual participating in an education and training activity “(B) The State agency may Guarantee child care by - “(i) providing such care directly; “(ii) arranging the care through providers by use of purchase of service contracts, or vouchers; “(iii) Providing cash or vouchers in advance to the caretaker relative in the family; “(iv) reimbursing other arrangements as the agency deems appropriate. When the State agency arranges for child care, the agency shall take into account the individual needs of the Child.³³

Title III continues:

(2) In the case of any individual participating in the program under part F, each State agency (in addition to guaranteeing child care under paragraph (1)) shall provide payment or reimbursement for such transportation and other work-related expenses (including other work-related supportive services), as the State determines are necessary to enable such individual to participate in such program.³⁴

³³US Government, 1988 Family Support Act, Section 30.

³⁴US Government, 1988 Family Support Act, Section 301.

Before discussing the development of Title III it is important to emphasize that the seeds of this subsection came from Section 154, Subpart (B) of the 1982 Tax Equity and Fiscal Responsibility Act. This Section stipulates:

that any individual participating in a program of employment search...will be furnished such transportation and other services, or paid...such amounts to cover transportation costs and other expenses reasonably incurred in meeting requirements imposed on him under this paragraph, as may be necessary to enable such individual to participate in such program.³⁵

Title III further establishes that:

The State must establish procedures to ensure that center based child care will be subject to State and local requirements designed to ensure basic health and safety, including fire safety, protections. The State must also endeavor to develop guidelines for family day care...The Secretary shall make grants to States to improve their child care licensing and registration requirements and procedures, and monitor child care provided.³⁶

I will demonstrate below that all the above requirements were included in the Act as a result of evidence regarding the success and failure of State welfare-to-work programs.

2. GAO

The GAO report, "Work and Welfare: Current AFDC (Aid To Families With Dependent Children) Programs and Implications for Federal Policy," dedicates an

³⁵US Government, 1982 Tax Equity and Fiscal Responsibility Act (Washington, D.C.: Government Printing Office, 1982), Section 154

³⁶US Government, 1988 Family Support Act, Section 403.

entire chapter to the role of support services within State WIN demonstration programs. Generally, the report calls attention to the: necessity of support service for any program to be successful; the need for extensive federal funding; provision of a basic structure for State child care programs; and the need to regulate the quality of child care providers.³⁷

Moreover, the report established that while: “Child care assistance...was...available to participants in 59 of the 61 programs...there was much variation in the type of assistance provided and the mechanisms and resources the programs used to provide the aid.” They recommended that this should be replicated in any federal program. However this recommendation was checked by the provisions that Congress must set minimum standards for care and safety within day care facilities while allowing for the care of children with other family members even when certain standards could not be met.³⁸

The GAO report also demonstrated the need to provide transportation services to AFDC recipients if their participation was to be required within the JOBS program. Specifically, the report noted:

For many AFDC recipients, lack of transportation is a barrier to participating in a program or taking a job...In all but one the 61 programs we surveyed, participants could receive transportation assistance...many program officials see lack of transportation as a problem...almost three-quarters of the respondents to our survey reported that transportation problems prevented some people from participating. Thirty percent thought they did so “to a great extent” or “a very great extent”...In most programs...staff reported that some people were exempted from participation or placed in inactive status for lack of transportation.³⁹

³⁷See: GAO, “Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy,” esp. p.86-87.

³⁸GAO, “Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy,” p. 81-82.

³⁹GAO, “Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy,” p.89-92

a. OBRA/GAO

Finally, it should be emphasized that the 1981 OBRA prohibited unreasonable travel times. I note this because this provision was replicated in the 1988 FSA. Congress included these provisions not only because they appeared in prior legislation but because of GAO and CBO studies. For example, while discussing State programs the GAO stressed that most States limited travel time and distances participants were required to undertake within the State's welfare-to-work program.

GAO researchers also stressed that States had discovered, while operating WIN demonstration programs, that it was essential include a wide variety of support services for program participants: "Some AFDC recipients need other types of help before they can participate in work programs or take jobs. Such needs...include obtaining clothing, medical examination, dental care, eyeglasses, tools, or work-related equipment."⁴⁰ It is important to stress that all the GAO's recommendations and findings regarding the type and importance of support and transitional services were included in the Act.

3. House Testimony

CBO reports and Congressional testimony leading the formulation of S1511 and HR 1720 (the base legislation of the 1988 FSA) echoed the GAO findings. For example, testifying before the Subcommittee of Public Assistance and Unemployment Compensation, Representative Konnyu reiterated the importance California placed on the provision of support services for AFDC recipients. On one occasion he even attributed GAIN's success to the provision of child care, characterizing it as: "essential element of the program."⁴¹

⁴⁰GAO, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy," p. 93

⁴¹US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 212.

During the same hearings Virginia Austin testified that: “the lack of child care poses a major obstacle for many women who wish to accept a job or job training.”⁴² Immediately following this testimony, Deborah Phillips of Yale University’s Bush Center in Child Development and Social Policy, testified that:

child care is critical to any effective welfare reform program...Any child care component...must...assure that children are in safe supportive and reliable arrangements...One-third of all single unemployed parents responding to a Gallup Poll conducted in California reported that inadequate child care arrangements kept them from working...A survey conducted in Massachusetts found the thirty percent of nonworking parents attributed their unemployment to lack of child care...Survey after survey in State after State confirm these trends...Child care assistance is simply essential if low-income mothers are to participate in training programs, attend school, or obtain and hold jobs.⁴³

In addition, it is worth emphasizing that during oral question about how to implement safe child care facilities, Deborah Phillips told Committee members: “I would recommend that you look very carefully at both Massachusetts and California because of the way they handle this.”⁴⁴

4. Senate Testimony

This information was repeated during Senate hearings. For example, Gerald McEntee told the Senate Committee on Finance: “A welfare/work plan also needs a strong family support strategy. The potential loss of health coverage and lack of child

⁴²US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 313.

⁴³US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 324-327.

⁴⁴US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 334.

care and transportation can rule out work as a viable or rational choice.”⁴⁵ Describing Washington State’s welfare-to-work program Governor Booth Gardner testified:

we sat down and designed a program that, first, provides immediate availability of child care, secondly, it extended medical benefits so there is not the disincentive that if you...enter the program or go to work...[you] have lost your medical safety net.⁴⁶

F. Transitional Benefits

Governor Gardner’s testimony points to another aspect of the FSA included because of evidence provided during Congressional hearings. Specifically, the Act provides for 12 months of transitional benefits for individuals leaving AFDC for regular work.⁴⁷ As I will demonstrate, without these benefits States discovered that many AFDC recipients returned to the benefit rolls because they could not afford medical and child care services on their income and savings.

1. The Legislation

Section 302, of Title III provides that:

Each State agency must guarantee child care...to the extent that such care is determined by the State agency to be necessary for an individual’s employment in any case where a family has ceased to receive aid to families with dependent children as a result of increased hours of or increased income, from such employment...a family shall only be eligible for child care...for a period of twelve months after the

⁴⁵US Government, “Welfare Reform,” Hearings before the Committee on Finance, p. 303.

⁴⁶US Government, “Welfare Reform,” Hearings before the Committee on Finance, p 150.

⁴⁷It should be mentioned again that in my final chapter I am going to Title I of the 1988 Family Support Act, which deals specifically with the enforcement of child support enforcement regulations.

last month for which the family received aid to families with dependent children under this part.⁴⁸

Policy makers include twelve months of transitional health benefits for AFDC recipients along with transitional child care provisions. Specifically, during the first six months of transitional medical benefits each State had to ensure that: “the amount, duration, and scope of medical assistance made available with respect to a family [leaving benefits] shall be the same as if the family were still receiving aid under the plan.”⁴⁹

After the initial six month extension the conditions governing the how States provided medical coverage was loosened so that States could expand the range of programs they used to provide medical coverage to former AFDC recipients.⁵⁰

Congress included the 12 month period of transitional benefits within the Act after studies and Congressional testimony established that many recipients were forced to leave employment when their benefits ran out, because they had not saved enough money or their income was too low to afford the services they needed. In fact, as a result of this information, the Act required the Department of Health and Human Services (the Federal agency responsible for implementing the Act) to: “conduct a study to determine whether individuals who ceased receiving aid...have begun again...in order to requalify for additional months of transitional benefits.”⁵¹ If the Secretary discovered that the 12 month period was still inadequate the Act instructs him to make recommendations necessary to stop participants from leaving employment to requalify for transitional benefits.

⁴⁸US Government, 1988 Family Support Act, Section 302.

⁴⁹US Government, 1988 Family Support Act, Section 302.

⁵⁰For more information see: US Government, 1988 Family Support Act, Section 302

⁵¹US Government, 1988 Family Support Act, Section 302.

2. GAO

The first study stressing the emphasis States were placing in the provision of transitional benefits was “Work and Welfare: Current AFDC (Aid To Families With Dependent Children). Specifically, the GAO reported:

case workers...report seeing people leave their jobs in order to regain Medicaid coverage when they or their children develop health problems. According to work program staff, many former participants also return to AFDC because their child care or transportation arrangements break down...Despite the difficulties for low income workers, there is evidence that AFDC recipients tend to choose work over welfare even when they suffer financially as a result...But despite the desire of AFDC recipients to work, personal crises with health care, child care, or transportation may precipitate their return to the welfare rolls.⁵²

The report recommended:

If programs are expanded and especially if they target women with young children, more services would be needed. In addition, providing support services when the participant finds employment would aid the transition...another important issue is providing continuing health coverage to people whose jobs do not provide such benefits.⁵³

3. Congressional Testimony

While GAO reports provided crucial information on the operation of State welfare-to-work programs and the necessity of transitional services Congress received

⁵²GAO, “Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy,” p. 112.

⁵³GAO, “Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy,” p. 127.

direct information on the importance States placed in the provision of transitional benefits from a multitude of witnesses during Congressional hearings. For example, after listening to numerous witnesses Representative Barbara Kennelly concluded: “Transitional child care, transportation, and health care assistance must be provided...If we take this approach, we can develop a good welfare reform package.”⁵⁴

Representative Charles Rangel echoed these arguments:

Once we have the poor working...we should not make it difficult to see any advantage in working offset by the cost of transportation, or tools or uniforms...We should not inhibit the welfare recipient from working by removing his or her families health care...We must appreciate the need for day care and that we cannot expect all mothers to be able to work full time.⁵⁵

Perhaps Robert Greenstein summarizes the consensus surrounding the necessity to provided transitional services to AFDC recipient’s best: “the committee has heard much testimony...on the critical importance of health care and child care during a transition period from welfare-to-work, I would note that the GAO report also underscores the critical importance of these transition services.”⁵⁶

G. Employability Plans/Case Management

1. The Legislation

Another element of the 1988 FSA to emerge through the process of policy transfer was the inclusion of employability plans within Title II. Specifically, Section 201 stipulates:

⁵⁴US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 96.

⁵⁵US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 111.

⁵⁶US Government “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 266.

The State agency must make an initial assessment of the educational, child care, and other supportive services needs as well as the skills, prior work experiences and employability of each participant in the program...On the basis of such assessment, the State agency, in consultation with the participant, shall develop an employability plan...The employability plan shall explain the services that will be provided by the State agency and the activities in which the participant will take part under the program, including child care and other supportive services, shall set forth an employment goal...and shall...reflect the respective preferences of such participants. The plan must take into account the participants supportive services needs, available program resources, and local employment opportunities...The State agency may require the participant...to negotiate and enter into an agreement with the State agency that specifies such matters as the participants obligations under the program, the duration of participation...and the activities to be conducted and the services to be provided...The State agency may assign a case manager to each participant and the participants family. The case manager so assigned must be responsible for assisting the family to obtain any services which may be needed to assure effective participation in the program.⁵⁷

2. Senate Testimony

Each of the regulations found within the above passage came from Congressional testimony. For example, on 23 February 1987 Art Agnos told the Senate Subcommittee on Social Security and Family Policy:

GAIN has...remedial education, child care, professional counseling and assessment to determine an employment plan...we empower GAIN

⁵⁷US Government, 1988 Family Support Act, Section 201..

recipients with a legally-binding contract...The contract spells out what services the welfare office will provide...as well as the clients' obligations and responsibilities.⁵⁸

The importance Congress placed on State programs and experiences is illustrated during an exchange between Senator John Chafee, Senator George Michell and Linda Wilcox, Director of Welfare Employment in Maine's Department of Health:

John Chafee - I was particularly interested in the point Ms. Wilcox made about the contracts that you have between the welfare recipient...and the State and setting the duties of each; and Mr. Heintz echoed that as well...The key point you made was the necessity for a good counselor...Can you get good counselors?

Ms. Wilcox - Yes...I think the critical element here is that we must have the resources to allow them to have small enough case-loads so that they can do...intensive work

George Michell - My question is: Can you specifically define...the role that case management plays in your WEET program? and would it be possible for WEET to operate successfully without adequate case management?

Ms. Wilcox - No we...could not operate the WEET program...without good case management.⁵⁹

Before this exchange, Ms. Wilcox testified that:

The availability of education and training programs and the provisions of financial support for child care and transportation, while necessary components in any welfare-to-work program are themselves not

⁵⁸US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, p. 79,81.

⁵⁹US Government, "Welfare Reform," Hearings before the Committee on Finance, p 63-64.

sufficient for many welfare recipients. Their needs must be identified and matched to existing programs. Entering into these programs must often be negotiated, and counseling must be available...The case manager provides encouragement, support, and confidence building that so many welfare women need...the case manger is often the only person the welfare recipient can rely on to help.⁶⁰

3. House Testimony

Representatives themselves discussed the importance their States placed in the provision of agency-client contracts. For example, Representative Hall testified:

I would like to highlight one suggestion made by the report [Report by County Commissioners from Montgomery County Ohio], which is to use a contract model in welfare planning...The contracts are tailored to individuals...The contract model...is a new and interesting concept and I would urge my colleagues to consider it.⁶¹

CONCLUSION

This chapter has demonstrated how State WIN demonstration programs influenced the general components of the 1988 FSA. Specifically, I demonstrated through the use of government reports and Congressional testimony how Congress developed seven basic aspects of the 1988 FSA based upon State experiences and witness testimony. It is essential to draw attention to the development and importance of: support services, case management and employability plans because these reforms were transferred to the British welfare system during the 1980s. I will discuss these reforms and the importance policy transfer played in their development in Chapter seven. However, in the next Chapter I am going to demonstrate how

⁶⁰US Government, "Welfare Reform," Hearings before the Committee on Finance, p 55.

⁶¹US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 160.

every major provision of the Job Opportunities and Basic Skills Program (JOBS) was drawn from prior legislation and/or from witness testimony representing the operation of State welfare-to-work programs. I will also demonstrate how policy makers utilized negative lessons within the Act to avoid various problems plaguing State welfare-to-work programs. I will conclude the chapter by illustrating how policy makers developed, and were inspired to develop, the Act by the ideology and rhetoric surrounding State welfare-to-work programs.

Chapter Four

The 1988 Family Support Act

JOBS Program

Inspirations

INTRODUCTION

In the two previous Chapters I discussed how policy makers were constrained in the development of the 1988 Family Support by existing legislation. Of particular importance was: the structure of the AFDC program, developed in 1935 Social Security Act; the structure and failures of the WIN Program; the programs authorized in the 1981 OBRA; and the 1982 TEFRA legislation. Subsequently, I demonstrated that Congressional leaders developed seven basic principles within the 1988 FSA based on existing research and testimony regarding WIN demonstration programs initiated in response to the 1981 OBRA. In this Chapter I am going to demonstrate how Federal policy makers developed and justified the JOBS Program based on existing legislation and extensive Congressional testimony on the necessity of the program for the success of the 1988 FSA. After utilizing policy transfer to explain the development of the JOBS program, I will use it to explain how negative lessons were utilized to develop provisions prohibiting the displacement of workers and the exclusive use of job search as a substitute for education and training. Finally, I will discuss how the rhetoric of: mutual-obligations; the importance of work in promoting of self confidence and self worth; and need for State flexibility in the implementation of their welfare-to-work programs was used by policy makers to inspire, justify and design the Act.

I. PROGRAM COMPONENTS

Ultimately the process of policy transfer led to the inclusion of Title II ‘Jobs Opportunities And Basic Skills Program’ (JOBS). The provisions within the JOBS program resulted from the experiences of State programs, conveyed to administration officials and Congressional policy makers through the media, MDRC studies, Congressional testimony and, as will be demonstrated, direct meetings with state and local program administrators. Furthermore, policy makers transferred the wording for

the job search, work supplementation and CWEP components of the JOBS program, from Title XXIII of the 1981 OBRA and 1982 TEFRA.¹

A. Job Search Program

In Chapter three I demonstrated the importance of policy transfer in the development of job search activities within the JOBS program. Here, I am going to concentrate on the other provisions of the Title II, but I want to emphasize that the job search provisions of Title II provide an example of policy copying. While research findings may have prompted policy makers to include job search within the 1988 FSA they drew the wording for this provision from the 1982 TEFRA. Recall that TEFRA stipulated:

such individual will be required to participate in a program of employment search -- "(i) beginning at the time he applies for such aid...and continuing for a period...of not more than eight weeks (but this requirement may not be used as a reason for any delay in making a determination of an individuals eligibility for aid or in issuing a payment to or in behalf of any individual who is otherwise eligible or such aid); and "(ii) at such time or - times after the close of the period prescribed under clause (i) as the State agency may determine but not to exceed a total of 8 weeks in any 12 consecutive months."²

Compare this to Section 482 subsection (g) of the 1988 FSA:

(2) The State agency may require job search by an individual applying for or receiving aid to families with dependent children...(A)...beginning at the time such individual applies for aid to families with dependent children and continuing for a period of 8

¹US Government, 1988 Family Support Act (Washington, D.C.: Government Printing Office, 1988), Title II.

²US Government, 1982 Tax Equity and Fiscal Responsibility Act (Washington, D.C.: Government Printing Office, September 3, 1982), Section 154.

weeks (but this requirement may not be used as a reason for any delay in making a determination of an individual's eligibility for such aid or in issuing a payment to or on behalf of any individual who is otherwise eligible for such aid); and "(B) at such time or times after the close of the period prescribed under subparagraph (A) but not to exceed a total of 8 weeks in a period of 12 consecutive months."³

B. Work Supplementation

Just as the job search components were copied directly from earlier legislation, so were the provisions governing the work supplementation program. Section 2308 of Title XXXIII of the 1981 Omnibus Budget Reconciliation Act states:

It is the purpose of this section to allow a State to institute a work supplementation program under which such State, to the extent such State determines to be appropriate, may make jobs available...as an alternative to aid otherwise provided under the State plan approved under this part...For purposes of this section, a supplemented job is-- "(A) a job position provided to an eligible individual by the State or local agency administering the State plan..."(a) job position provided to an eligible individual by a public or nonprofit entity, for which all or part of the wages are paid by such State or local agency..."(e)(i) Nothing in this section shall be construed as requiring a State or local agency administering the State plan to provide employee status to any eligible individual to whom it provides a job position under the work supplementation program."⁴

This provision appears almost word for word in Section 482 Subsection (e) of Title II of the 1988 FSA:

³US Government, 1988 Family Support Act, Section 482.

⁴US Government, 1981 Omnibus Budget Reconciliation Act, (Washington, D.C: Government Printing Office, 1981), Section 2308.

any State may institute a work supplementation program under which such State...may reserve the sums that would otherwise be payable to participants in the program as AFDC and use such funds instead for the purpose of providing and subsidizing jobs for such participants...as an alternative to the AFDC that would otherwise be paid to them...a supplemented job is - “(i) a job provided to an eligible individual by the State or local agency administering the State plan...or “(ii) a job provided to an eligible individual by any other employer for which all or part of the wages are paid by such State or local agency. “(5)(A) Nothing in this Subsection shall be constructed as requiring the State or local agency...to provide employee status to...individual to whom it provides a job under the work supplementation program.⁵

Again, given the identical nature of the wording between the 1981 OBRA and the FSA, there can be little doubt that Congressional policy makers transferred this information.

C. Community Work Experience Program

As demonstrated in Chapter three, in developing CWEP Congressional policy makers drew on the experiences of the States as relayed to them during meetings with State administrators, in Congressional hearings and in various reports. While policy makers justified the inclusion of the CWEP based upon the experience of State welfare-to-work programs, Section 482 Subsection (f) of the 1988 FSA, came directly from Title XXIII, Section 2307, of the 1981 OBRA. Specifically, Section 2307 stipulates:

The purpose of the community work experience program is to provide experience and training for individuals not otherwise able to obtain

⁵US Government, 1988 Family Support Act, Section 482.

employment, in order to assist them to move into regular employment. Community work experience programs shall be designed to improve the employability of participants thorough actual work experience and training and to individuals employed under community work experience programs to move promptly into regular public or private employment...Community work experience programs shall be limited to projects which serve a useful public purpose...to the extent possible, the prior training, experience and skills of a recipient shall be utilized in making...assignments.⁶

Section 482 Subsection (f) of the 1988 FSA stipulates:

(I)(A) any state may establish a community work experience program in accordance with this Subsection. The purpose...is to provide experience and training for individuals not otherwise able to obtain employment, in order to assist them to move into regular employment. Community work experience programs shall be designed to improve the employability of participants through actual work experience and training and to enable individuals employed...to move promptly into regular public or private employment...Programs shall be limited to projects which serve a useful public purpose...To the extent possible the prior training, experience, and skills of a recipient shall be used in making appropriate work experience assignments.⁷

Given that the wording of these provisions is the same, it provides substantial evidence that the process of policy transfer was used in the development of CWEP provisions of the 1988 FSA.

⁶US Government, 1981 Omnibus Budget Reconciliation Act, Section 2307

⁷US Government, 1988 Family Support Act, Section 482.

D. Participation Rates

The participation requirements in Title II's were the most controversial provision of the Act. While the Administration and Congressional Republicans desired high participation standards numerous witnesses testified against this development. In this regard it is worth quoting extensively from Robert Greenstein because his testimony is representative of the testimony witnesses opposed to high participation rates were providing:

My particular concern is the provision the administration has recommended...would impose these high participation standards...It seems to me that the evidence is very clear that this would go in precisely the wrong direction...Setting high participation standards may lock States into providing uniform, very low cost services that do not benefit recipients, particularly the most high risk groups...The GAO has also warned about the dangers of setting these high participation standards. And if you take States like California...or Massachusetts that appear to be having some interesting successes...those states would probably have to curtail their current kinds of programs if those participation standards came into effect.⁸

While the Administration and Congressional Republicans desired participation rates as high as 90 per cent, the final provisions stipulated that, in fiscal year 1990, States had to enroll seven percent of eligible AFDC recipients in the JOBS program, incrementally increasing to 20 percent by fiscal year 1995.⁹ These participation rates were a compromise based upon MDRC, GAO and CBO findings.

⁸US Government, "Welfare Reform," Hearings before the Committee on Finance, US Senate, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1987), p. 52.

⁹ The administration desired participation rates as high as 90% of eligible AFDC recipients but compromised based upon: AFDC-UP participation requirements; the workfare component of the AFDC-UP program; and the findings of the MDRC, GAO and CBO.

1. GAO

a. "Current AFDC Work Programs"

In "Work and Welfare: Current AFDC (aid to families with dependent children) Work Programs and Implications For Federal Policy", the GAO reported that: "In States with WIN Demonstration programs operating the full year, the combined AFDC work programs served about 22 percent of all adult AFDC recipients."¹⁰ In conclusion, the GAO recommends against implementing the Administrations proposed participation requirements:

The administration has proposed expanding programs by mandating high participation rates. Yet data suggests that States are already trying to spread their funds over larger numbers of participants by providing less intensive services such as job search or direct placement. High mandated levels of participation with continued limited funding would likely exacerbate the tendency to serve more welfare recipients in inexpensive options.¹¹

So, not only did the GAO find the maximum participation rates ranged around 20 percent in State run welfare-to-work programs, but also that in order to achieve these rates states were having to provide less intensive services to AFDC recipients.

b. "Analysis Of AFDC Employment Programs"

Additional evidence was provided in "Work and Welfare: Analysis Of AFDC Employment Programs in Four States," which reported:

¹⁰GAO, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy," General Accounting Office (Washington, D.C.: Government Printing Office, 1987), p. 53

¹¹GAO, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy," p. 123.

Annual rates for three of the states show comparable proportions participating in the programs: 28 percent in Massachusetts, 26 percent in Michigan, and 30 percent in Texas...Monthly participation rates dropped only slightly in Massachusetts, to 20 percent, and in Michigan, to 24 percent...The Texas participation rate drops considerably more, to 13 percent.¹²

While the annual participation rates were slightly higher than the participation requirements in the 1988 FSA, the Act stipulates the measurement of monthly participation rates which, as can be seen, averaged around 20 percent, the final target, within the Act.

2. MDRC

MDRC findings echo the GAO findings. For example, in the final report on the West Virginia welfare-to-work program the MDRC reported:

only 24 percent of all AFDC experimentals worked in CWEP positions within nine months of random assignment...Among other states in MDRC's demonstration, participation in work experience component - - run as a second or later component -- has never surpassed 18 percent.¹³

These findings were repeated in most MDRC studies, including the San Diego SWIM program which mandated participation for all AFDC recipients. In the San Diego program the MDRC reported: "In a typical month of the SWIM

¹²GAO, "Work and Welfare: Analysis of AFDC Employment Programs in Four States," General Accounting Office (Washington, D.C.: Government Printing Office, 1988), p. 22-23

¹³D. Friedlander, M. Erickson, G. Hamilton and V. Knox, West Virginia: Final Report On The Community Work Experience Demonstrations (New York: Manpower Demonstration Research Corporation, September 1986), p. XIV.

demonstration, 19 percent of the WIN-mandatory caseload fulfilled their participation requirement by being employed at least 15 hours per week.”¹⁴

In this section I have demonstrated that, while the administration and Congressional Republicans wanted high participation rates, evidence provided by state welfare-to-work programs meant that Committee members drafting the Act compromised. They based this compromise on the evidence of real participation rates in State WIN demonstration programs.

II. POLICY TRANSFER: THOU SHALL NOT

In this and the preceding chapter I have discussed what policy makers transferred from past legislation and state welfare-to-work programs. In this section I am going to illustrate three lessons they transferred concerning what not to allow. This section is important because it demonstrates the transfer of negative lessons based upon the experience of state welfare-to-work programs. Specifically, the 1988 FSA prohibited: the displacement of regular employees by JOBS participants; forcing an AFDC recipient to accept employment if it would lead to a loss of income; and extended job search activities when not coupled with other program activities.

A. Displacement

In Chapter two I demonstrated the wording of the Act’s prohibition against displacement of existing workers with AFDC recipients was transferred directly from the 1981 OBRA. In this section I will demonstrate that policy makers transferred the 1981 legislation (in a strengthened form) because of the experiences of State welfare-to-work programs. Specifically, information provided during Congressional hearings stimulated Congressional policy makers to include and strengthen this prohibition within the 1988 FSA.

¹⁴G. Hamilton and D. Friedlander, Final Report on the Saturation Work Initiative Model In San Diego, (New York: Manpower Demonstration Research Corporation, November 1989), p. xii-xiii.

1. Congressional Testimony

A key witness during Congressional hearings was Gerald McEntee, representing the American Federation of State and County Municipal Employees. In testimony before both House and Senate he catalogued the displacement of existing workers, including a worker who was laid off and then placed in his old position under the auspices of the CWEP. I note Gerald McEntee's testimony for, as the president of the organization representing state and county employees, he was well positioned to influence legislators' opinions.

2. GAO

The GAO also emphasized the existence of worker displacement within State welfare-to-work programs despite the existence of the 1981 OBRA. In presenting their evidence the GAO stressed there was only mixed evidence regarding the existence of displacement but reported that there was widespread objection to CWEP due to fears of displacement. Moreover the GAO report did not rule out the possibility that displacement was a real problem.¹⁵

B. Prohibition Against Ending Up Worse Off

1. The Legislation

Several sections restrict States from requiring AFDC recipients, in the JOBS program, to accept employment opportunities if it would result in a net loss of income for their family. However, the primary section guarding against financial loss is Section 201, Subsection H, of Title II:

the state agency may require a participant in the program to accept a job only if such agency assures that the family of such participant will

¹⁵See: GAO, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy."

experience no net loss of cash income resulting from acceptance of the job.¹⁶

2. GAO

Section 201 Subsection H was included as a direct result of Congressional testimony and GAO reports. In “Work and Welfare: Current AFDC (AID To Families With Dependent Children) Programs and Implications For Federal Policy” the GAO illustrated the problems AFDC recipients faced when they took jobs providing wages below a minimum welfare package. Briefly, the GAO reported that former AFDC recipients were ending up worse off in jobs than on benefits. They reported this finding because the jobs available to AFDC recipients did not provide enough income to make up for the combined loss of AFDC, Medicaid and Food Stamp benefits. Specifically:

Participants whose earnings disqualify them from AFDC may suffer financially from working because their earnings do not make up for decreased AFDC, Medicaid, and Food Stamp benefits and increased expenses. This factor may hamper the efforts of work programs to place welfare recipients in jobs and increase the likelihood that job-finders return to the rolls.¹⁷

3. Congressional Testimony

Witnesses at Congressional hearings echoed the GAO findings. For example, on several occasions witnesses testified to the importance GAIN officials placed on not forcing program participants into jobs that would mean their families were financially worse off than they had been on benefits. For example, Representative Richard Lekman testified:

¹⁶US Government, 1988 Family Support Act, Section 201.

¹⁷GAO, “Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy,” p. 111.

The GAIN program has carefully implemented many education and job training programs...at the conclusion of these training and education programs...the recipient is still allowed to turn down employment if the job offered will provide less income than...AFDC...For many...this rejection is the only...option they have.¹⁸

Marthia Marano, executive director of “Wider Opportunities for Women,” eloquently argued for the provisions against incurring financial loss through the acceptance of employment by noting:

Most welfare recipients want the chance to work to support themselves and their families...Yet no recipient should be asked to take employment which results in a loss of income...We believe that any initiatives you consider must tackle this difficult problem directly...Welfare employment initiatives must be designed to ensure both adequate basic needs and pathways for achieving economic independence...We ask you to design a program which will improve the economic prospects of welfare recipients.¹⁹

C. Prohibition On Extended Job Search Without The Inclusion Of Other Components.

Numerous witnesses and reports testified to the fact that most States were concentrating resources on the job search components of their welfare-to-work programs rather than the more expensive training and education programs. For example, the GAO reported:

¹⁸US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, US House of Representatives, 100th Congress 1st Session (Washington, D.C.: Government Printing Office, 1987), p. 204.

¹⁹US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 46.

States are already...providing less intensive services such as job search or direct placement. High mandated levels of participation with continued limited funding would likely exacerbate the tendency to serve more welfare recipients in inexpensive options while providing fewer with the education and training services they may need.²⁰

As a result of this information, Section 482, subsection (g) of Title II specifically prohibits States from requiring extensive job search activities with out providing participants more intensive services:

In no event may an individual be required to participate in job search for more than 3 weeks before a State agency conducts assessment and review...Job search activities in addition to those required under the proceeding provisions of this paragraph may be required only in combination with some other education training, or employment activity which is designed to improve the individual's prospects for employment.²¹

III. SETTING THE STAGE FOR TRANSFER

A. Mutual-Obligation/ Dependence.

During the development of the 1988 FSA 'mutual obligations' became a catch phrase for the belief that AFDC recipients had an obligation to themselves and society to participate in either the labor market or welfare-to-work programs. Concurrently the State had the responsibility to provide AFDC recipients with: benefits; training and educational opportunities; and support services. In fact, the concept of mutual obligations became so ingrained in the justification of the Act that it was written into Section 201 of Title II.

²⁰US Government, "Work and Welfare: Current AFDC (Aid to Families With Dependent Children) Work Programs and Implications For Federal Policy," General Accounting Office (Washington, D.C.: GAO, 1987), p. 123

²¹US Government, 1988 Family Support Act, Section 482.

1. The Legislation:

While the entire Act is based on mutual obligations, Section 201, Subsections (b) and (c) place the idea directly into the legislation. Specifically, Subsection (b) requires:

the State agency, in consultation with the participant, shall develop an employability plan...the employability plan shall explain the services that will be provided by the State agency and the activities in which the participant will take part under the program.²²

Subsection (c) notes:

The State agency must inform all applicants...of the education, employment, and training opportunities, and support services...for which they are eligible, the obligations of the state agency, and the rights, responsibilities, and obligations of participants.²³

2. Congressional Testimony

For ten years prior to the passage of the 1988 FSA Professor Lawrence Mead developed the philosophy underlying the need for mutual obligations while examining the failures of New York's WIN and WIN demonstration programs.²⁴ Based on the results of these studies, he testified that: "Although we must offer training and

²²US Government, 1988 Family Support Act, Section 201.

²³US Government, 1988 Family Support Act, Section 201.

²⁴L. Mead, "Expectations and Welfare Work: WIN in New York City," Policy Studies Review, 2:4 (May, 1983), p. 648-662; L. Mead "Expectations and Welfare Work WIN in New York State," Polity, 18:2 (1985), p. 224-252; L. Mead, "The Value of Workfare," The New York Times, November 12, 1985, p. I. 35; L. Mead, Beyond Entitlement: The Social Obligations of Citizenship (New York, London: The Free Press, 1986); L. Mead, "How To Make Sure Workfare Works," Wall Steet Journal, (April 15, 1987), p.30

investment in human capital, there must be a definite obligation to participate. Without that...the impact [of welfare reform] is to limited.”²⁵

David Swoap’s comments were illustrative of the importance state welfare-to-work programs were placing in mutual obligations:

I think it is this key question of expectations and obligation that is essential to the success of the design of any new program. And so it is throughout the construction of the GAIN program that we emphasize new expectations and new obligations.²⁶

In this section I have briefly illustrated that the idea of mutual obligations was transferred to policy makers during Congressional testimony. Congressmen then repeated this idea in statements justifying the necessity of welfare reform. Finally, they included in the Act as it operated in State welfare-to-work programs.

B. Self Respect and Societal Integration

While signing the Act into law, President Reagan reiterated the consensus which had emerged on the need to reform the American welfare system. This consensus emphasized that the purpose of reform was to integrate AFDC recipients into society by giving them a sense of self dignity, through work and work-related activities. Specifically, President Reagan said:

For too long the Federal Government, with the best intentions, has usurped responsibilities that appropriately lie with parents...In so doing, it has reinforced dependency and separated welfare recipients from the mainstream of American society. The Family Support Act says to welfare parents, “We expect of you what we expect of

²⁵US Government, “Workfare vs. Welfare” Hearing Before the Subcommittee On Trade Productivity and Economic Growth of the Joint Economic Committee, US Congress, 99th Congress, 2nd Session (Washington, D.C.: Government Printing Office, 1986), p. 37.

²⁶US Government, “Workfare vs. Welfare” Hearing Before the Subcommittee On Trade Productivity and Economic Growth of the Joint Economic Committee, p.87.

ourselves...that you will do your share in taking responsibility for your life and for the lives of the children you bring into this world.”²⁷

1. The Past Re-Emerges

While the ideology of social integration and self worth allowed a consensus to emerge, these ideas were transferred into the debate from the past. For example, the CBO report “Work Related programs for Welfare Recipients” noted: “Congress established the Work Incentive Program (Public Law 90-248) to foster: a sense of dignity, self worth, and confidence which flow from being recognized as a wage-earning member of society.”²⁸

Moreover, Conservatives had used the rhetoric of self respect as a cornerstone of welfare reform efforts years before the emergence of the Act. This can be illustrated using a passage from the 1980 Republican party platform: “As a party we commit ourselves to a welfare policy that is truly reflective of our people’s true sense of compassion...as well as an appreciation of every individual’s need for dignity and self-respect.”²⁹

2. Congressional Hearings

While conservatives had a history of utilizing the ideas of social integration and self-esteem to justify welfare reform, by 1988 liberal Congressmen were also using this language as it became a common theme during the Congressional hearings leading to the Act. Even Senator Bentsen, Democratic Chairman of the Senate Committee on Finance, used these ideas to justify S1511: “The underlying concept of this welfare reform bill is to break the cycle of dependency and to get parents into jobs

²⁷“Revision Of The US Welfare System: October 13, 1988,” Historic Documents of 1988, (USA: Congressional Quarterly Inc., 1989), p. 851.

²⁸CBO, “Work Related Programs for Welfare Recipients,” Congressional Budget Office, (Washington, D.C.: Government Printing Office, 1987), p. 8.S

²⁹“Republican Party Platform,” Historic Documents of 1980 (US: Congressional Quarterly Inc., 1981), p. 574.

where they can become productive, independent wage earners and help build a better future for their children.”³⁰

a. Lawrence Mead

The chief proponent championing obligating participation within welfare-to-work programs to achieve social integration was Professor Lawrence Mead. For example, as early as 1986 he testified:

We are not undertaking workfare...in order to improve the earnings of recipients or to save the government money. We are in fact doing it to achieve social integration...The point...is to attach an obligation to the benefits they are receiving, to have some notion of reciprocity such as other Americans encounter...the rest of us work in order to achieve our income. It is necessary for integration that the poor do the same.³¹

b. Douglas Bersharov

Even more directly Douglas Bersharov testified:

What is most important is their isolation from American society, their inability to acquire the skills and attitudes essential for functioning successfully in American life, their weakened morale and lack of self-esteem. Without these, their chances of attaining the rewards of self-reliance that constitute the birthright of all Americans is slim...Helping the dependent to adopt self reliant behaviors is...difficult...there is a common idea which should serve as the basis...Obligation...by

³⁰J. Rovner, “Deep Schisms Still Imperil Welfare Overhaul,” Congressional Quarterly Weekly Report, 46: 25, (1988), p. 1650.

³¹US Government, “Workfare vs. Welfare” Hearing Before the Subcommittee On Trade Productivity and Economic Growth of the Joint Economic Committee, p.37-38.

emphasizing obligations, society can help inculcate and reinforce the values and habits essential to escaping poverty.³²

c. Senator Bentsen:

It is appropriate to end this section with a short quote from Senator Bentsen who drew together the emerging consensus on ideology of integration:

I believe that there is consensus...that we must build a vastly improved program of education, employment and training for welfare recipients. Enabling the parents of needy children to participate more fully in the economic life of the country is surely the most important task before us.³³

This section illustrates that Congressional policy makers transferred the ideology of societal integration and self-esteem to justify passage of the 1988 FSA. Moreover, as implied in Senator Bentsen's remarks, Congress used the ideology of social integration to include the extensive program components of the JOBS program.

C. Flexibility

1. The Final Regulations (Federal Register)

One of the key features developed into the Act was flexibility. As Senator Moynihan noted: "for the governors it provided enough flexibility to devise and implement work and training programs tailored to their states' own needs."³⁴ In fact,

³²US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, US House of Representatives, 100th Congress 1st Session (Washington, D.C.: Government Printing Office, 1987),p. 550.

³³US Government, "Welfare Reform," Hearings Before the Committee on Finance: US Senate, 100th Congress 1st Session (Washington, D.C.: Government Printing Office, 1987), p. 2.

³⁴"Welfare," Congress and the Nation, Vol. VII: 1986-1988 (Washington, D.C.: Congressional Quarterly Inc., 1990), p. 545.

the final regulations explicitly state that the intent of the Act was to provide States maximum flexibility in implementing the JOBS program:

These final regulations have been drafted to implement the objectives of the statute...Several key principles have guided their development...[one being] That States be given maximum flexibility to design program components within the JOBS provisions of the Statute in order to tailor programs to meet local needs.³⁵

Moreover, the final regulations stipulate:

To allow maximum State flexibility in designing State JOBS programs, a State IV-A agency will not be required to implement the same optional components in all political subdivisions in which it operates a JOBS program. Further, the State need not operate components in the same manner in each political subdivision.³⁶

2. House Testimony

The emphasis on design flexibility was transferred from Congressional testimony as various witnesses stressed the need to maintain the flexibility built into State welfare-to-work programs. One example worth citing comes from Cynthia Marano who testified: "Since recipients are a very varied population, the menu of services offered must be similarly varied and individualized...States will have to have the flexibility to design the appropriate mix of services."³⁷ I draw attention to Cynthia Marano's testimony because she defended design flexibility on the characteristics of

³⁵"Part II: Department Of Health and Human Services: 45 CFR Part 205 ect. Aid to Families With Dependent Children; Job Opportunities and Basic Skills Training Program and Child Care and Supportive Services; Final Rule," Federal Register, p. 42148-42149.

³⁶"Part II: Department Of Health and Human Services: 45 CFR Part 205 ect. Aid to Families With Dependent Children; Job Opportunities and Basic Skills Training Program and Child Care and Supportive Services; Final Rule," Federal Register, p. 42155.

³⁷US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 47.

the AFDC population. This is an important distinction because most witnesses based their testimony on the different conditions within each state rather than the individual characteristics of AFDC recipients. This provided Congressmen another reason for accepting the principle of flexibility.

3. Senate Testimony

Testifying before the Senate Committee On Finance Governor Bill Clinton stressed the importance Governors placed on the provision of flexibility within a Federally designed welfare reform:

the Governors believe...There ought to be some language in the bill which leaves the States the flexibility to develop programs appropriate to the circumstances in each State, but which clearly requires...a range of services to be offered. This plainly includes remedial education, high school alternative degrees, adult literacy programs...a full range of education and training programs.³⁸

It is appropriate to conclude this section citing Senator Moynihan who argued:

[We] also need to provide State governments...the flexibility to design and implement programs that will help low-income parents enter the labor force. Many States have already launched promising new programs. State officials tell us they know what needs to be done and they are looking to the Federal government for some help.³⁹

I use this citation because it illustrates that Senator Moynihan accepted the need for flexibility within the Act. This citation also demonstrates the process of policy transfer for Senator Moynihan certainly referred to flexibility as a key theme recurring

³⁸US Government, "Welfare Reform," Hearings Before the Committee on Finance, p. 31.

³⁹US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, US Senate, 100th Congress, 1st Session, (Washington, D.C.: Government Printing Office, 1987), p. 4.

in the testimony presented to the Subcommittee which needed to be reflected in the legislation.

CONCLUSION

In chapter two and three I demonstrated how existing legislation shaped and constrained the options and decisions available to policy makers drafting the 1988 FSA and how policy transfer can be used to demonstrate the development the general regulations within the Act. In this chapter I illustrated how policy makers transferred the wording for the JOBS program directly from prior legislation. I also demonstrated how policy makers included prohibitions against: job displacement, financial hardship, and extended jobsearch due to evidence regarding the operational defects of the WIN demonstration program. I concluded this chapter by demonstrating that, in developing the 1988 FSA, policy makers transferred the rhetoric of: mutual-obligations; the importance of work in promoting of self confidence and self worth; and the need for State flexibility in the implementation of their welfare-to-work programs. They used these ideas to justify the design and development of the Act. It is important to note these ideological arguments because they were transferred to Britain in the development of the British welfare-to-work program which I will discuss in chapter seven.

In the next chapter I am going to discuss the agents of change. Specifically, I am going to examine the various interest and pressure groups involved in the design and passage of the 1988 FSA. I will then examine the individual entrepreneurs responsible for developing and guiding the Act through Congress.

Chapter Five

The 1988 Family Support Act

Agents And Events Of Change

INTRODUCTION

In the preceding three chapters I examined the content of State welfare-to-work programs illustrating how the internal elements of these programs were transferred by federal policy makers to justify, inspire and develop the 1988 FSA. In this chapter I am going to discuss the agents of change. As emphasized in Chapter one, policy transfer requires groups or individuals to promote the transfer of ideas, institutions or even inspirations in order for policy transfer to occur. In the development of the 1988 FSA these agents were of critical importance to the design and passage of the legislation, providing the information and guidance needed to pilot the Act through Congress and the Administration.

I. AGENTS OF CHANGE/PRESSURE GROUPS

In chapters two to four I used Congressional hearings to illustrate that Administration officials and Congressional representatives were aware of State welfare-to-work programs and used this information to develop the 1988 FSA. In this chapter I will use *Congressional Quarterly Weekly Report* to illustrate the role various groups, politicians and entrepreneurs played throughout the two year process leading to the 1988 FSA. I am using *CQ* because it is the official record of Congresses weekly proceedings and provides information on which individuals and groups were involved in the development of the Act. Moreover it reinforces the previous evidence that Administration Officials and Congressional Representatives used their knowledge of State welfare-to-work programs to develop Act.

A. National Governors Association

As discussed in Chapter one, interest groups constantly exchange ideas and draw lessons from each other's experience. They then feed this information to government officials with the hope that this information will be used in the development of legislation beneficial to the group. In the development of the 1988 FSA the influence of three major inter-state pressure groups fed into the Federal policy making process: the National Governors Association; the Union of State County and Municipal Employees; and various business organizations. It should also be noted that officials representing State and local government organized themselves into pressure groups to lobby Congress and the Administration for federal welfare-to-work legislation. In combination these and other pressure groups, including the MDRC, acted as a catalyst for change, encouraging Federal policy makers to search for lessons in developing the Act.¹

Welfare reform, long penciled in on the 100th Congress' 1987 agenda, has now been inked firmly onto the schedule. Much of the credit for the issue's sudden prominence was given to the National Governors' Association (NGA)...The governors...overwhelmingly approved a far-reaching plan to overhaul welfare, and then won support for key elements of the plan from the principal players.²

¹As discussed in Chapter one, it is important the note that because Federal policy makers viewed these groups as legitimate they turned to them as a source information and ideas regarding the development of a federal welfare-to-work system.

²J. Rovner, "Governors Jump-Start Welfare Reform Drive," Congressional Quarterly Weekly Report, 45: 9, (1987), p. 376.

1. *The NGA Report and Congress*

As implied in the preceding note, the most influential group in the development of the 1988 FSA was the National Governors Association (NGA). In fact, their 1987 welfare reform program “Jobs-Oriented Welfare Reform,” became the basis of the 1988 FSA. As noted in *Congressional Quarterly*:

Promoted by the gubernatorial lobbying team of Arkansas Democrat Bill Clinton and Delaware Republican Michael N. Castel, the governors’ plan ultimately became the basis for major welfare bills in both chambers: HR 1720...and S1511.³

In fact, Senator Moynihan provides direct evidence of the NGA’s influence on the development of the Act. As *CQ* reported:

In what Moynihan characterized as a direct response to a plan approved overwhelmingly by the nation’s governors in February, the Jobs Opportunities and Basic Skills program (JOBS) would be individually designed by each state...Moynihan explained...he tried to focus on the governors’ plan in order to exploit a much heralded bipartisan consensus that long-term welfare recipients should be given the education and training they need to escape dependency on government handouts.⁴

³J. Rovner, “Governors Press Reagan, Bentsen on Welfare,” Congressional Quarterly Weekly Report, 46: 9, (1988), p. 512.

⁴J. Rovner, “Moynihan’s Welfare Proposal Cheaper Than House Version,” Congressional Quarterly Weekly Report, 45: 29 (1987), p. 1587. For Senator Bentsen’s comments See: US Government, “Welfare Reform,” Hearings Before the Committee on Finance: US Senate, US Senate, 100th Congress 1st Session (Washington, D.C.: Government Printing Office, 1987), p. 2.

Ultimately, the report led: “Sen. Daniel Patrick Moynihan...and Rep. Harold E. Ford...chairmen of the subcommittees with primary jurisdiction over welfare, [to announce] they would work with a task force of governors to develop a single, comprehensive bill.”⁵

2. NGA Congressional Lobbying Efforts

The influence of the NGA went beyond the confines of their report. As implied above, its representatives were heavily involved in lobbying Congressional Representatives. For example, as reported in *CQ*:

The next stop was the office of Finance Chairman Bentsen. Clinton and Castle, joined by outgoing NGA Chairman John H. Sununu...and New Jersey Gov. Thomas H. Kean...presented Bentsen with a letter urging swift action...signed by 48 governors.⁶

Bentsen actually left the meeting stating: “They made some very good points...we have to do everything we can to give education and training to get people off welfare and into the work force.”⁷

3. NGA And The Administration

a. The NGA Report

Like Congress, the Reagan Administration was also aware of the NGA report and endorsed it. For example: “On Feb. 23, President Reagan endorsed in concept

⁵J. Rovner, “Governors Jump-Start Welfare Reform Drive,” p. 376.

⁶J. Rovner, “Governors Press Reagan, Bentsen on Welfare,” p. 513.

⁷J. Rovner, “Governors Press Reagan, Bentsen on Welfare,” p. 513. See also: J. Rovner, “Senate Finance Endorses Modified Welfare Bill,” Congressional Quarterly Weekly Report, 46: 17, (1988), p. 1071

the governors' call for a mandatory education and training program for able-bodied welfare recipients."⁸ This citation is supported by an exchange between Michael E. Baroody, Assistant Secretary for Policy, at the Department of Labor, and Representative Ford:

Chairman Ford - ...the President embraced the proposal but I am not sure he embraced the revenue aspect.

Mr. Baroody - The proposal we have put forward does not have that [price].

Chairman Ford - I am speaking of the Governors' association proposal, the one that the president last week embraced.

Mr. Baroody - I understand that what the President embraced specifically was the concept of a contract and a sense of recognition of mutual responsibilities and obligations.⁹

b. Administrative Lobbying

NGA representatives also heavily lobbied the Administration. Again as *Congressional Quarterly* put it:

the drive began at the White House...In a speech to the governors, Reagan continued to embrace HR 3200 [Republican alternative to HR 1720], but both Clinton and Castle said that during a private meeting afterwards Reagan had begun to soften his stance. "I got a sense from the president that it wasn't just 'you do it my way or I'm gonna veto

⁸J. Rovner, "Governors Jump-Start Welfare Reform Drive," p. 376.

⁹US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, US House of Representatives, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1987), p. 259.

it,”” said Clinton who, added that the governors told the president the bill he backed was “deficient.”¹⁰

B. The American Public Welfare Association

1. APWA Legislation

In addition to the NGA the American Public Welfare Association (APWA) was another key group promoting the development of the 1988 FSA. As evidence of the group’s influence, on 25 February 1987 Representatives Barbara Kennelly of Connecticut and Robert Matsui of California introduced HR 1255. This Bill was based on the recommendations of the Association. The importance Congress placed on information provided by the APWA is reflected in Barbara Kennelly’s testimony in support of HR 1255:

I would just like to put on record one of the reasons I am supporting the American Public Welfare Associations’ bill is because it has been brought about and worked on and crafted by commissioners who are on site at home in each of the 50.

It is important to notice that while HR 1255 did not become the House version of the 1988 FSA, because the APWA proposal was introduced three weeks before the introduction of HR 1720 (19 March 1987), its influence on the development of the HR 1720 is undeniable.¹¹

¹⁰J. Rovner, “Governors Press Reagan, Bentsen on Welfare,” p. 512.

¹¹For evidence of the influence of this bill in the development of HR 1720 see: J. Rovner, “Governors Jump-Start Welfare Reform Drive,” p. 376.

2. APWA Lobbying

a. House

As with the NGA, the APWA was actively involved in lobbying efforts to promote their recommendations and shape the opinions of Administration and Congressional policy makers. As indicated in the two preceding Chapters, Steven Heintz, Chairman of the American Public Welfare Association's Welfare-Reform Project, regularly presented testimony to House and Senate welfare reform Committees. An even clearer indication of APWA's lobbying is provided in *Congressional Quarterly*. For example, on 18 June 1988 *QC* reported:

unless the provisions are dropped, the welfare bill could lose the support of the two groups most responsible for bringing it this far - the nations governors and state and local welfare administrators, represented by the American Public Welfare Association (APWA).¹²

b. Senate

The APWA did not confine its activities to the House but intensively lobbied the Senate, particularly Senator Lloyd Bentsen. For example:

In a June 16 letter to Bentsen, Stephen Heintz...chairman of the APWA's welfare-reform project, said the 16-hour CWEP requirement "would render this legislation actually worse than current law...This is the wrong place to require work experience."¹³

¹²J. Rovner, "Deep Schisms Still Imperil Welfare Overhaul," p. 1647.

¹³J. Rovner, "Deep Schisms Still Imperil Welfare Overhaul," p. 1649.

C. Manpower Demonstration Research Corporation

While not a traditional pressure group it should be clear from Chapter two that without MDRC's involvement it is questionable whether the 1988 FSA would have emerged. In addition to the extensive Congressional testimony provided by Judith Gueron and reports and articles published by the MDRC, academics observing the development of the Act noted the importance of MDRC findings and activities in shaping the opinions of Federal policy makers. For example, Fred Block and John Noakes noted: "the major knowledge base that has been invoked in justifying the Democratic legislation has been MDRC's evaluations of state workfare experiments."¹⁴ Similarly, Desmond King argued: "The principal source for this reform was the experiments conducted by the states and validated by MDRC."¹⁵

In fact, as early as 1986 scholars were drawing attention to MDRC's findings. For example, in 1986, while examining the ideological and practical arguments surrounding workfare, Mickey Kaus noted:

The MDRC's thick, professional, and well *well-publicized*, studies describe the incremental success of work programs...in mincing detail. MDRC's latest report of modest gains for "work experience"...rated 20 inches in the *New York Times*.¹⁶

¹⁴F. Block and J. Noakes, "The Politics of New-Style Workfare," p. 43.

¹⁵D. King, "The Establishment of Work-Welfare programs in the United States and Britain: Politics, Ideas and institutions." In S. Steinmo, K. Thelen, and F. Longstreth (eds.), *Structuring Politics* (Cambridge and New York: Cambridge University Press, 1992), p.233. pp. 217-250

¹⁶M. Kaus, "The Only Way to Break the Culture of Poverty: The Work Ethic State," *The New Republic*, 7 (July 7, 1986), p. 27.

D. Additional Groups: Specific Program Components

In addition to the overwhelming influence of the NGA, APWA, and the MDRC numerous other interest groups lobbied Congress during the development and passage of the 1988 FSA. Of these the American Federation of State County and Municipal Employees and the National Alliance for Business are worth discussing. While they did not influence the overall design and passage of the Act they played a critical roll in the inclusion of anti-displacement legislation and the linking of the JOBS program to the pre-existing private industry councils as organized under the 1982 Jobs Training Partnership Act.¹⁷

1. American Federation of State County and Municipal Employees

Under the direction of Gerald W. McEntee, the American Federation of State and County Municipal Employees (AFSCME), played a critical role in convincing Congress to include strong displacement prohibitions within the 1988 FSA. While I demonstrated the wording for this prohibition was transferred from the 1981 OBRA, it is also important to realize that displacement provisions were included in the Act as a resulted of AFSCME efforts. Recall, Gerald McEntee was the key witness who drew Congressional attention to the occurrence of displacement using personal testimonials to prove State workers were losing jobs to CWEP participants.¹⁸

¹⁷ I will return to PIC's in Chapter 9, demonstrating how Britain borrowed the idea and structure to develop TECs and LECs.

¹⁸ For more information see: US Government, "Welfare Reform," Hearings Before the Committee on Finance: US Senate, US Senate 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1987); US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation.

2. *National Alliance for Business (NAB)*¹⁹

The National Alliance for Business is also worth mentioning for it helped secure provisions within the Act linking the JOBS program to the 1982 Job Training Partnership Act; in particular, the requirements governing the use and coordination of the JOBS program with private industry councils. Specifically, Title II, Section 483 requires:

The State agency that administers or supervises the administration of the State plan...shall carry out the programs...directly or through arrangements or under contracts with administrative entities under section 4(2) of the Job Training Partnership Act...“(c)The State agency and Private Industry Councils (as established under section 102 of the Job Training Partnership Act) shall consult on the development of arrangements and contracts...“(e) The State agency shall use the services of each Private Industry council to identify and provide advice on the types of jobs available or likely to become Available in the Service delivery areas of the council, and shall ensure that the State program provides training in any area for jobs of a type which are, or likely to become, available in the area.²⁰

As I will show below, Section 483 implemented the Alliance’s recommendation. In particular, it allowed, but did not require, States to use private industry councils to implement the JOBS program or to contract JOBS to PIC service

¹⁹It should be noted that the NAB was not the only interest group advocating the linkage of the JOBS program to JTPA. For example, Cindy Haag, testified that the other keys to the success of EWP in Utah is a strong commitment from JTPA. The combination of voices enhanced the NAB’s assertion that private industry councils must be coordinated with 1988 FSA’s education, training and work programs.

²⁰US Government, 1988 Family Support Act, (Washington, D.C.: Government Printing Office, 1988), Section 483.

delivery units. However, Subsection (e) stipulates that State agencies must use private industry councils to provide advice to the State agency on the availability and type of jobs within their service delivery area, as the Alliance recommended.

a. Testimony

Throughout House and Senate hearings the NAB testified to the necessity of coordinating education, training and work programs with the JTPA. For example, Pierce A. Quinlan, the Executive Vice President, testified:

The alliance strongly supports the thrust towards the jobs direction of welfare reform...we think there are things that can be done that would strengthen private sector participation...the focus for private sector involvement in job training programs is [now] the private industry councils (PIC)...They have gained...a lot of experience in working with disadvantaged individuals, including welfare recipients...I am not suggesting that the JOBS program should be run by the Jobs Training Partnership System. What I am suggesting is that welfare systems should use the expertise that has been developing in the planning process to determine that we get the best “bang for the buck.”²¹

b. Representatives Respond

The information provided by the NAB was used by Representatives in their own rhetoric during Congressional hearings. For example, Representative Mathew Martinez proclaimed: “Private industry must really play a major role in assisting

²¹US Government, “Welfare Reform,” Hearings Before the Committee on Finance: US Senate, p. 14, 18.

training and remedial actions.” Moreover, after consultation with the NAB, the Administration linked the JTPA with their welfare-to-work proposals. As Michael Baroody, the Department of Labor Assistant Secretary for Policy, testified:

Our proposal would amend JTPA...while welfare recipients form a sizable portion of the clientele served by JTPA...we believe that the program could do more to reduce long term welfare dependency. Furthermore, we think that training and employment programs can be an effective vehicle for assisting welfare recipients.²²

II. POLITICIANS/ INSIDE THE FEDERAL GOVERNMENT

In the previous sections I examined the role of interest/pressure groups in the development of the 1988 FSA in this section I will examine the role of government officials. Specifically, in the development of the 1988 FSA four politicians in the Federal government: Senator Daniel P. Moynihan, President Reagan and Representatives Harold E. Ford and Thomas J. Downey, were crucial to the development and passage of the Act. In fact, without the efforts of these individuals it is unlikely that the Act would have emerged from the quagmire of Congressional legislation.

²²US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation, p. 237. It should be noted that this proposal was designed by the Department of Labor in consultation with the Department of Health and Human Services.

A. Daniel P. Moynihan²³

The key politician guiding S1511 through the Senate was Daniel P. Moynihan. Senator Moynihan's interest and commitment to welfare reform began with his involvement in the Johnson Administration. Daniel Moynihan gained national recognition as a welfare reformer after the publication of his presidential report, *The Negro Family: The Case for National Action*, after which he resigned from the Administration.²⁴ However, in the 1970s President Nixon hired him as a special counselor to draft and guide his welfare reform plan, The Family Assistance Plan, through Congress.²⁵ After the failure of the FAP, Moynihan left the Nixon Administration but continued to lobby for welfare reform. After being elected to the Senate in 1977 he continued to advocate welfare reform, until the passage of the 1988 FSA.

1. *The High Priest*

This brief review of Senator Moynihan's involvement in welfare reform begins to demonstrate why he was one of the key political figures guiding the 1988 FSA through Congress. However, I still must demonstrate that his activities were crucial to the passage of the 1988 FSA: Or as *Congressional Quarterly* reports why: "Most see Moynihan as leader of the welfare reform drive and say his intellectual prowess and personal involvement in past efforts give him and his ideas a special status."²⁶

²³As will become apparent Daniel Moynihan was both a politician and entrepreneur. His advocacy of welfare reform began years before he entered the Government. Moreover, in the periods between his government positions he engaged in entrepreneurial activities to bring about welfare reform.

²⁴Moynihan resigned because of critical reviews of his report which linked riots sweeping America in 1964 and 1965 to the break down of the traditional black family.

²⁵For more information on Daniel Moynihan's history of welfare advocacy see: N. Lemann, *The Promised Land* (London: Macmillan, 1991); W.J. Wilson, *The Truly Disadvantaged* (Chicago: University of Chicago Press, 1987); J. Rovner, "Daniel Patrick Moynihan: Making Welfare Work," *Congressional Quarterly Weekly Report*, 45: 12 (1987), pp. 503-507.

²⁶J. Rovner, "Daniel Patrick Moynihan: Making Welfare Work," p. 503.

2. Senate Testimonials

To begin, Robert Greenstein referred to Senator Moynihan as having: ““a wealth and depth of knowledge that no other member of Congress has on this issue and few have on any issue’...Moynihan...brings to the debate ‘a long knowledge of the past history of failures and why they failed.’”²⁷ Moreover, *Congressional Quarterly* referred to Senator Moynihan as the: “undisputed high priest of welfare on Capitol Hill,”²⁸ who has the influence to unite groups behind a single Act because ‘everybody respects him so much.’

Perhaps, Senator Edward Kennedy, whose involvement in welfare reform is as long as Senator Moynihan’s, provides the most convincing evidence of Moynihan’s influence on the passage of the Act:

They used to ask the famous British scientist, Lord Rutheford, why he always seemed to be riding the crest of the wave in modern physics. And he replied, ‘I made the wave, didn’t I?’ That’s the way I feel about Pat Moynihan and welfare reform.²⁹

3. Moynihan In The House

Senator Moynihan’s influence stretched beyond the confines of the Senate and into the House where he was the feature witness during several hearings. Representative Downey illustrates Moynihan’s influence in the House, noting that: “it was not totally a coincidence that the bill approved by Ways And Means is starting to

²⁷J. Rovner, “Daniel Patrick Moynihan: Making Welfare Work,” p. 503.

²⁸J. Rovner, “Governors Jump-Start Welfare Reform Drive,” p. 378.

²⁹J. Rovner, “Daniel Patrick Moynihan: Making Welfare Work,” p. 503.

resemble outlines of the Moynihan plan...Pat and I talk a lot.”³⁰ Representative Sander M. Levin reiterated these sentiments:

If you take him [Moynihan] out of the equation you have a very different set of circumstances...He’s clearly the quarterback, and he’s a veteran quarterback who’s been hit high and low and is not only still on his feet but passing better than ever.³¹

4. Moynihan And The Administration

Senator Moynihan also worked closely with the Reagan Administration to gain the President’s approval of the Congressional reform plans. In fact: “Moynihan said he waited until now [mid July 1987] to introduce the bill in...[an] effort to obtain White House Support for his plan.”³²

Perhaps it is fitting that the final statement on Senator Moynihan’s role in the development and passage of the Act should rest with Senator Bob Packwood, a right wing conservative from Oregon, who opposed Senator Moynihan throughout the development of the Act:

There’s no guarantee that this bill will resolve the crisis facing our welfare system. But there’s one certainty, the present system does not work and can not work. And but for Pat Moynihan we would not be trying to fix it.³³

³⁰M. Willen, “Modified Welfare Reform Bill OK’d by House Subcommittee,” Congressional Quarterly Weekly Report, 45: 15 (1987), p. 682.

³¹J. Rovner, “Daniel Patrick Moynihan: Making Welfare Work,” p. 503.

³²J. Rovner, “Moynihan’s Welfare Proposal Cheaper Than House Version,” p. 1587.

³³J. Rovner, “Congress Clears Overhaul of Welfare System,” p. 2701.

B. President Ronald Reagan

As I demonstrated in Chapter one policy transfer often results from a decision maker entering office; Ronald Reagan was such a politician. He entered office committed to changing the federal welfare system. As the Urban Institutes 1983 conference prospectus states: “The Reagan administration came to office with a clear mandate to reduce government spending on social welfare policy.”³⁴ In advocating welfare reform President Reagan relied on the writings of conservative’s such as Mortin Anderson, David Stockman, R.C. Cornuelle, Lawrence Mead and Charles Murray. More importantly, Ronald Reagan used his experience as the Governor of Californian to inform and shape the direction and content of the Administration’s welfare reform proposal. Finally, President Reagan was critical in shaping the direction of the 1988 FSA because his values determined the acceptable limits of the Act, for ultimately his endorsement was needed for its passage.

1. Candidate Reagan

Martin Anderson, President Reagan’s top social policy adviser, noted that President Reagan campaigned on a pledge to: “limit and control the *growth* of spending on social welfare programs.”³⁵

More to the point, Whiliam Gorham, the president of the Urban Institute, noted: “Ronald Reagan entered the presidency as an antagonist of federal social welfare spending...Candidate Reagan promised to examine, reshape and leash ‘runaway’ social welfare spending.”³⁶ William Gorham continues: “President Reagan’s

³⁴J. Palmer and I. Sawhill, The Reagan Record (Cambridge, MA: Ballinger, 1984), p. ii.

³⁵M. Anderson, “The Objectives of the Reagan Administration’s Social Welfare Policy,” in: L. Bawden (eds.), The Social Contract Revisited (Washington, D. C.: Urban Institute Press, 1984), p.15-16.

³⁶W. Gorham, “Overview,” in L. Baldwin (eds), The Social Contract Revisited (Washington, D.C.: Urban Institute Press, 1984), p. 2

first budget, converting his campaign rhetoric into action, was impressive, tangible evidence that social welfare interests were near the top of his agenda."³⁷

2. *Reagan's Advisors*

In addition to the writings and advise of Martin Anderson, President Reagan relied on the writings of a several other conservative thinkers. For example, Professor Robert Goodin noted that his:

California policies were deeply influenced by Courmuelle's (1965) plea for *Reclaiming the American Dream* through a re-emphasis upon 'voluntarism...as an alternative to state welfare...Upon reaching the White House, Reagan himself appointed a domestic policy adviser [Martin Anderson] famous for arguing that welfare programs' have created a new caste of Americans -- perhaps as much as one tenth of this nation...almost totally dependent on the State, with little...hope of breaking free.³⁸

Another key player helping to shape Ronald Reagan's vision was David Stockman. As with Anderson and Cornuelle, Stockman had a history of attacking welfare programs within his scholarly work. Due to his ideological beliefs and history of anti-statism, David Stockman was appointed President Reagan's budget director in 1981. His purpose as budget director was to design the Administration's budget cuts and more importantly its welfare reform policies.

Guided by his ideology and team, President Reagan established the anti-welfare attitude of his administration within his first budget proposal. I stress this

³⁷William Gorham, "Overview," p. 2.

³⁸R. Goodin, "Self-Reliance Versus the Welfare State," *Journal of Social Policy*, 14: 1 (1990), p. 27. pp. 25-47.

because these proposals formed the basis of the welfare reform proposals enacted in the 1981 OBRA. As noted in the *New York Times*:

The Reagan Administration announced plans today to tie welfare benefits to a work requirement, known as “workfare,” that it said could place as many as 800,000 people in community jobs...Mr. Hayes said that a major benefit of the proposal...is the ‘valuable training and sense of self-esteem’ earned by the recipients.³⁹

3. Governor Reagan

In developing his “workfare” proposal, President Reagan drew on his ideology and policy advisers but also his experiences as Governor of California. Recall, as Governor he developed the nation’s first community work experience program which became the prototype for the 1981 OBRA’s CWEP program.⁴⁰

4. Reagan Continues The Attack

Even after the passage of the 1981 OBRA President Reagan continued to attack the welfare system. For example, in September 1982 *The New York Times*, quoted the President as saying: “With the coming of the Great Society, Government began eating away at the underpinnings of the private enterprise system.” But for this, “all Americans would be better off today.”⁴¹ With this in mind: “The Reagan administration...vigorously advocated forced work programs for AFDC recipients.”⁴²

³⁹B. Weinraub, “Reagan to Seek Job Requirement Tied to Welfare for Up to 800,000,” *New York Times*, March 11, 1981, A1.

⁴⁰He presented his CWEP proposal to the California State legislature on 3 March 1971.

⁴¹L. Mead, *Beyond Entitlement* (New York: Free Press, 1986), p. 47.

⁴²F. Block, R. Cloward, B. Ehrenreich and F. Piven, *The Mean Season* (New York: Random House, 1987), p. 24.

The President's 1984 Economic Report to Congress continued this attack: "If the public had foreseen the future consist of the expanded social programs...Congress might not have enacted all of those programs and government would be smaller today."⁴³

5. The 1986 State of the Union Message

President Reagan's anti-welfare rhetoric and policies culminated in his 1986 State of the Union message which argued:

As we work to make the American Dream real for all, we must also look to the conditions of America's families...In the welfare culture the breakdown of the family...has reached crises...We can ignore this terrible truth no longer. As Franklin Roosevelt warned 51 years ago..."Welfare is a narcotic, a subtle destroyer of the human spirit." And we must now escape the spider's web of dependency. Tonight I am charging the White House Domestic Council to present to me...a strategy for immediate action to meet the financial, educational, social and safety concerns of poor families I am talking about real and lasting emancipation, because the success of welfare should be judged by how many of its recipients become independent of welfare.⁴⁴

Responding to the President's State of the Union Message Congressional Democrats commissioned their own report and introduced several welfare reform bills

⁴³"Presidents Economic Report to Congress 1984," (USA: Congressional Quarterly Inc., 1985), p. 132-133.

⁴⁴R. Reagan, "Reagan's State of the Union Address," Congressional Quarterly Weekly Report, 44: 6 (1986), p. 273

during the 99th Congress.⁴⁵ In addition, the House and Senate initiated the welfare reform hearings which ultimately developed the 1988 FSA.

6. The Veto Shapes All

The continual threat of a Presidential veto on any legislation not conforming to Ronald Reagan's ideological beliefs was a crucial constraint acting on Congressional policy makers developing the 1988 FSA. For example, the director of Office of Management and Budget (OMB) James Miller testified that, as regards the minimum benefit provisions which Congressional Democrats wanted to include in the legislation: "These proposals take any reform legislation in a direction opposite from one the administration could support."⁴⁶ In fact, President Reagan's veto threat forced Congressional policy makers to remove minimum benefit provisions from the legislation during the conference committee.

The threat of a Presidential veto even forced Democratic Congressional policy makers to include provisions to which they were opposed. For example, most liberal Congressmen were opposed to the 16 hour work requirement for AFDC-UP recipients but, as Senator Armstrong noted: "the amendment was critical to winning Reagan's support."⁴⁷ Even conservative members realized the importance of the provision for the survival of the Act. As Senator Bob Dole reiterated: "It is not a major program, but it will have a major impact on the people listening at 1600 Pennsylvania Avenue."⁴⁸ In fact: "White House officials...told a closed meeting of

⁴⁵Two of the more important Bills were S2513 and HR 4929. Both of these Bills foreshadowed the shape and design of the 1988 FSA. For more information see: J. Rovner, "Welfare Reform: The Next Domestic Priority?" p. 2285.

⁴⁶J. Rovner, "Reagan Team Tears Into Democrats' Welfare Plan," Congressional Quarterly Weekly Report, 45: 14 (1987), p. 627.

⁴⁷J. Rovner, "Deep Schisms Still Imperil Welfare Overhaul," p.1648-1649.

⁴⁸J. Rovner, "Deep Schisms Still Imperil Welfare Overhaul," p. 1649.

Senate conferees Aug. 11 that President Reagan would veto any bill that did not contain the 16-hour-per-week work requirement.”⁴⁹

C. Harold E. Ford and Thomas J. Downey.

1. Harold Ford.

In the House of Representatives, Harold Ford and Thomas Downey were both necessary to steer HR 1720 through its various stages. After introducing HR 1720 on 19 March 1987 Representative Ford guided the bill through the mark-up stages of the Subcommittee on Public Assistance and Unemployment Compensation, protecting its primary provisions from being removed by either the Administration or House Republicans. More importantly, Representative Ford personally developed a compromise when it became apparent that neither the Administration or the Senate would approve the anticipated \$11.8 bn cost of the Bill:

The House Ways and Subcommittee on Public Assistance April 9 approved a bill (HR 1720) overhauling the welfare system, but not before scaling back the measure enough to cut its cost in half..The modifications that Ford made to his own bill reduced its cost from \$11.8 billion over five years to \$5.5 billion...Ford insisted, however, that the changes were not crippling...‘We didn’t have to cut any of the major components of the program.’⁵⁰

Representative Ford not only introduced HR 1720 guiding it through the early stages of the Congressional mark-up process, but he personally influenced Senator

⁴⁹J Rovner, “Accord Near on Welfare Bill, But White House May Resist,” Congressional Quarterly Weekly Report, 46: 33 (1988), p. 2288. Other provisions included above the objections of liberal Congressmen were participation requirements, lack of guaranteed minimum income requirements and the substantially reduced budget allocation.

⁵⁰M. Willen, “Modified Welfare Reform Bill OK’d by House Subcommittee,” p. 682.

Moynihan's development of S 1511. As retold by *Congressional Quarterly*: "Ford's legislation was hailed by his counterpart in the Senate, Daniel Patrick Moynihan... 'The Chairman and I have been working together and will continue to do so in order to pass a bill in this 100th congress.'"⁵¹

2. Thomas Downey

In March 1987 Representative Thomas Downey replaced Harold Ford as the chairman of the Subcommittee on Public Assistance and Unemployment Compensation when Ford temporarily relinquished the chairmanship while under federal indictment for bank, mail and tax fraud. After Representative Ford's temporary resignation, Representative Downey guided HR 1720 through both the remainder of its House hurdles and the conference committee finalizing the Act. In fact, after taking responsibility for HR 1720, Downey introduced an amendment during the Committee on Ways and Means mark-up necessary to gain its passage to the Floor of the House. Specifically:

The committee's first action on the bill was to adopt Downey's amendment cutting \$880 million from the bill's estimated five-year cost...The Downey amendment also eliminate one of the bill's most controversial provisions -- one that would have required states, beginning in 1993, to offer welfare benefits equal to at least 15 percent of a state's median income.⁵²

⁵¹J. Rovner, "House Democrats Unveil Welfare Blueprint Senate Also Has Overhaul on Fast Track," p. 505.

⁵²J. Rovner, "Panel OKs Welfare Plan on Party-Line Vote," *Congressional Quarterly Weekly Report*, 45: 24 (1987), p. 1265.

After maneuvering HR 1720 through the Ways and Means Committee: “Downey moved the bill through...the Education and Labor, Energy and Commerce and Agricultural committees -- each of which has jurisdiction over parts of the measure.”⁵³ Downey’s personal involvement in each of the Committees examining 1720 illustrates his importance to the Bill’s passage. In fact, Downey was so committed to the passage of HR 1720 that he personally attended each committee sitting to ensure HR 1720 passed in versions reconcilable with the Ways and Means version.

After the Committee stages of HR 1720 Representative Downey continued to guide it through the floor stages, making crucial decisions and compromises for its passage; particularly important were his decisions to delay House consideration of the Bill on three occasions. On the first occasion he explained:

“We’ve got the votes to pass the bill,” said Downey, who made the final postponement decision. He said pushing the bill now risked “unnecessarily angering people you don’t want to anger” -- namely, those conservative Democrats, who hold crucial swing votes needed for passage.⁵⁴

Besides making the tactical decisions to delay floor consideration of HR 1720, Downey made a proposal, used by the Rules Committee, necessary to gain the needed Democratic support for HR 1720’s passage:

Downey, the key player in the bargaining, scurried between the meetings and the Ways and Means Committee office. He also worked

⁵³P. L. Kundsens, “Rep. Tom Downey: Stung But Not Stymied,” Congressional Quarterly Weekly Report, 45: 46 (1987), 2807.

⁵⁴P. L. Kundsens, “Once-Burned House Leaders Shy Away From Welfare Fight,” Congressional Quarterly Weekly Report, 45: 47 (1987), 2876.

the House floor trying to sell compromise proposals to liberal members...Late that afternoon, leaders ordered the Rules Committee to meet to change the rule on the welfare bill. The new rule allowed one additional amendment to the welfare bill, embodying Downey's final bid to Carter...It was clear the Rules Committee action had won some converts.⁵⁵

The combined actions of Representatives Ford and Downey were necessary for the passage of the 1988 FSA. Their actions created and guided HR 1720 through the House. Finally, it should be recalled that, after taking over HR 1720 from Representative Ford, Downey began working with Senator Moynihan, to mold HR 1720 into a comprehensive package capable of gaining the necessary Senate approval.

III. POLITICIANS INSIDE STATE GOVERNMENT

Promoted by the gubernatorial lobbying team of Arkansas Democrat Bill Clinton and Delaware Republican Michael N. Castle, the governors' plan ultimately became the basis for major welfare bills in both chambers: HR 1720...and S1511.⁵⁶

Along with the four key politicians within the federal government Arkansas Governor, Bill Clinton, and Delaware's Governor, Michael N. Castle, were crucial for the development and passage of the 1988 FSA. As the chief spokesmen for the NGA, Bill Clinton and Michael Castle lobbied Administration officials including President Reagan on several occasions. Additionally, Clinton and Castle regularly lobbied Congress in support of the welfare reform measures designed by the NGA.

⁵⁵P. L. Kundsén and J. Rovner, "Amid Democratic Dissension, Welfare Bill is Delayed Again," *Congressional Quarterly Weekly Report*, 45: 50 (1987), 3036-3037.

⁵⁶J. Rovner, "Governors Press Reagan, Bentsen on Welfare," p. 512.

Ultimately their lobbying efforts ensured the House- Senate Conference Committee finalized the Act.⁵⁷

A. Governor Bill Clinton

Just as Daniel Moynihan and Ronald Reagan's interest in welfare reform can be traced back long before the development of the 1988 FSA, so too can Governor Clinton's. As Governor of Arkansas, he presided over and supported their welfare-to-work demonstration program. In fact, as Governor he was responsible for extending the programs cover area and improving its service and activity provisions.⁵⁸

1. When Clinton Speaks Congress Listens

Governor Clinton's lobbying activities began early in the process of developing the 1988 FSA. Indeed, in February 1987, just after the NGA published their welfare reform proposals, Bill Clinton emerged from a meeting with President Reagan stating: "We don't have a deal on dollars...We have a deal on concept."⁵⁹ After this meeting Governor Clinton continued to lobby Congress and the Administration. These efforts proved crucial for gaining the support of about twelve Representatives needed for the passage of HR 1720 and ultimately the 1988 FSA. As reported in *Congressional Quarterly*:

⁵⁷While both Governor Clinton and Castle were politicians their role in the passage of the 1988 FSA borders on entrepreneurialism. As with an entrepreneur both devoted their own time and resources to gain final passage of the 1988 FSA. Moreover, they used their position and connections to ensure key Federal policy makers took their view of welfare reform into account in designing the Act.

⁵⁸For more information see: D. Friedlander, G. Hoerz, J. Quint, J. Riccio, B. Goldman, J. Gueron and D. Long, Arkansas: Final Report On The Work Program In Two Counties (New York: MDRC, 1985); US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation.

⁵⁹J. Rovner, "Governors Jump-Start Welfare Reform Drive," p. 376.

The House leaders received significant help from Democratic Gov. Bill Clinton of Arkansas...Clinton has been the chief Southern statehouse advocate of welfare reform. On Dec. 3, at a lunch in the Capitol, he worked to muster support from about a dozen Southern Democrats who were leaning against HR 1720. In the last week [before the final House vote on HR 1720], he telephoned many still in doubt...Among those he won over was Valentine, who received a follow-up call from Clinton on Dec. 16, the morning of the final vote. 'I have been touched by the feelings of the governors more than anything else,' Valentine said.⁶⁰

After helping secure the passage of HR 1720 Clinton turned his attention to President Reagan and the Senate to lead the NGA's efforts to get S1511 passed. During one of Governors Clinton and Castle private meetings with President Reagan Clinton emerged stating: "I got a sense from the president that it wasn't just 'you do it my way or I'm gonna veto it.'" ⁶¹

2. Keep The Conference Moving

Even during the House-Senate Conference Governor Clinton played a crucial role in the Acts final passage. As reported in *CQ*, the day after the House Senate Conference committee reported the Act back to the House and Senate for their final votes (1 October 1988):

⁶⁰During this vote Governor-elect Buddy Roemer played a key role in gaining the support of the Louisiana Congressional delegation, "Roemer lobbied hard within the Louisiana delegation. The result was that all five of the state's Democratic members voted for the rule... 'Our support for the rule was directly attributable to Buddy Roemer's presence,' said Hayes... 'He looms as a very persuasive force.' P. Kundsén, "After Long, Brusíng Battle, House Approves Welfare Bill," *Congressíonal Quarterly Weekly Report*, 45: 51 (1987), p. 3158-3159.

⁶¹J. Rovner, "Governors Press Reagan, Bentsén on Welfare," p. 512.

'I'm very pleased. I think we've got a bill that's consistent with the policy we started with.' said Arkansas Democratic Gov. Bill Clinton, who at times seemed so deeply entrenched in the negotiations some considered him an honorary conferee.⁶²

B. Michael N. Castle

1. Republican Governor Swings Republican Opposition To HR 1720 And S 1151

Governor Castle worked closely with Governor Clinton in lobbying both the Administration and Congress on behalf of the NGA. In fact, Governor Castle's lobbying of Republican Congressmen was a crucial factor in the passage of the 1988 FSA. For example, after a meeting with Representative Hank Brown, the head of the Republican opposition to HR 1720 and ranking Republican on the Subcommittee on Public Assistance and Unemployment Compensation, Governor Castle said: "The key people who were opposing movement are beginning to change."⁶³ Similarly after a private meeting with President Reagan, Governor Castle emerged stating that he believed: "Reagan had begun to soften his stance [of unwavering opposition to HR 1720 and S 1511]."⁶⁴

2. Castle Restores Momentum In The Senate

One of Governor Castle's more crucial lobbying efforts was to convince Lloyd Bentsen to schedule mark-up hearings for S 1511 after it became stalled in the

⁶²J. Rovner, "Congress Clears Overhaul of Welfare System," p. 2699.

⁶³J. Rovner, "Governors Press Reagan, Bentsen on Welfare," p. 512. It is worth recalling that it was crucial to receive Hank Brown's support as ranking Republican but more importantly because he introduced HR 3200 as the Republican alternative to HR 1720 and would have to shift his support against his own Bill.

⁶⁴J. Rovner, "Governors Press Reagan, Bentsen on Welfare," p. 512.

Finance Committee. In fact, after one meeting in which Bentsen finally pledged to guide S1511 through the Senate, Governor Castle reported:

that the Finance chairman ‘was interested that the White house was perhaps ready to weigh in a little bit and try to get this done, too. And I think having governors there from four different states and both parties was helpful, because you get the impression that we are unified.’⁶⁵

3. The President Speaks

It is fitting to conclude this section on the role Governors Clinton and Castle played in the passage of the 1988 FSA with remarks President Reagan made during Act’s signing ceremony on 13 October 1988: “As lead Governors on welfare reform for the National Governors’ Association, governors Castle and Clinton consistently presented the interest of the States in getting welfare reform enacted.”⁶⁶

IV. POLICY ENTREPRENEURS

As I established in Chapter one, policy entrepreneurs are individuals interested in a particular policy and are willing to invest their own resources and time in hopes of influencing policy outcomes. Furthermore, policy entrepreneurs have the connections to link policy makers with their ideas and information. In the development of the 1988 FSA Lawrence Mead, Charles Murray and Judith Gueron, acted as entrepreneurs. It is important to discuss these actors because, in addition to shaping the ideological and practical debates surrounding the Act within the media, their ideas

⁶⁵J. Rovner, “Governors Press Reagan, Bentsen on Welfare,” p. 513.

⁶⁶“Revision Of The US Welfare System: October 13, 1988,” p. 852.

were transferred to Federal policy makers providing the ideas, ideological justifications and program components used to design and promote the Act.

A. Professor Lawrence Mead

Professor Mead's importance to the development of the 1988 FSA began before Congress or the Administration considered developing the Act. His research findings helped shift the national debate in regard to welfare-to-work programs (workfare) during the 1980s. His research, when combined with MDRC's findings, illustrated that welfare-to-work programs were not necessarily punitive. Moreover, his research helped initiate the conception of using welfare-to-work programs to integrate AFDC recipients into mainstream American society.

1. Professor Mead Shifts The Ground

In 1978 Professor Mead began studying New York Cities WIN program. From these studies he concluded that the key to a successful welfare-to-work program was the enforcement of obligations on AFDC recipients; not the state of the economy, or program components, as most studies were reporting. For example, an early article to this effect was published in the November 1983 edition of *Policy Studies*:

Clearly, the way to get job entries in New York City WIN is to put large numbers and proportions of clients in components. These results, alongside the interviews, strongly confirm our hypotheses that the better-performing offices will be those that levy clear expectations on clients that work is an obligation.⁶⁷

⁶⁷L. Mead, "Expectations and Welfare Work: WIN in New York City," p. 657.

Professor Mead followed his study of New York City's WIN program with a study on New York State's program. From this study Professor Mead announced that his analysis:

show what a serious work obligation might achieve. Its effects would be to change work from an exercise in self interest into a civic duty. Work, like other duties...would be recognized as something that served the social interest rather than the citizen's personal interest.⁶⁸

Professor Mead repeated these claims in the *New York Times*:

The movement, spreading across the country, to require welfare recipients to work for the support they get is a promising trend indeed. Workfare may initially cost the nation more than traditional welfare programs did, but in the long run it will surely be worth the money.⁶⁹

In 1986, Professor Mead published, *Beyond Entitlement: The Social Obligations of Citizenship*, which became one of the crucial books shaping the welfare reform debate. As noted by Francis Piven and Richard Cloward:

after Reagan launched the attack on the relief programs in 1981, four additional works appeared which extended and consolidated the rationale for the conservative mobilization...Charles Murray's *Losing Ground* (1984), and Lawrence M. Mead's *Beyond Entitlement: The Social Obligations of Citizenship* (1986).⁷⁰

⁶⁸ L. Mead, "Expectations & Welfare Work: WIN in New York State," *Polity*, 18: 2 (1985), p. 225.

⁶⁹ L. Mead, "The Value of Workfare," *The New York Times*, November 12, 1985, p. I. 35.

⁷⁰ F. Block, et. al. *The Mean Season*, p. 45.

One of the basic arguments articulated in *Beyond Entitlement*, transferred to the national debate was: “that workfare increases the ability of government to improve the functioning of its citizens...‘to improve social order’, government must use benefit programs ‘to require better functioning of recipients who have difficulty coping.’”⁷¹

Beyond Entitlement also presents convincing, though not necessarily correct, evidence that: “the reason offered in earlier years of less work by the poor have lost much of their force; that jobs are not available, or are ‘mismatched’ to the skills of the poor, or are geographically ‘inaccessible, or cannot be taken until more childcare is available.’”⁷²

2. Congressional Testimony

As has been demonstrated in the preceding chapters, in addition to altering the national debate regarding the use and acceptability of welfare-to-work programs, Professor Mead was a key witness during House and Senate hearings. During hearings Professor Mead provided Congressmen with evidence of his research findings emphasizing the need for obligations to be attached AFDC grants. For example, on 23 February 1987 he told the Subcommittee on Social Security and Family Policy:

I want to emphasize three points...an element of clear-cut obligation on the part of the recipient of welfare must be part of any successful reform...By that I mean an obligation to participate in some form of activity promoting self reliance, either job search, or actual

⁷¹G. Standing, “The Road to Workfare: Alternative to Welfare or Threat to Occupation?” *International Labour Review*, 129: 6 (1990), p. 680. pp. 67691.7-

⁷²M. Novak et. al., *A Community of Self-Reliance* (Washington, D.C.: American Enterprise Institute, 1987), p.61-62.

employment or training...The problem...is not lack of jobs...the problem rather, is that welfare itself has not generally required participation on the part of recipients...Finally...extend the reach of participation requirement...I would say to include mothers with children as young as three and most importantly you have to mandate actual participation by these people.⁷³

3. Lobbying Through The Press

Moreover, during Congressional consideration of HR 1720 and S 1511 Professor Mead continued to lobby for participation obligations in the national press. For example, in the *Wall Street Journal* Professor Mead argued:

The danger is that welfare reformers...will simply spend more money on the small share of recipients who already participate actively in work programs...Any national reform must above all expand the definition of employability...it must require that programs achieve participation levels...Without attending to these grubby details, welfare reform will be an exercise in symbolic politics.⁷⁴

Perhaps the final word on Professor Mead's importance in shaping the welfare reform debate should go to his fellow scholar, William Julius Wilson. In, *The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy*, Wilson observed:

⁷³US Government, "Welfare: Reform or Replacement," Hearings before the Subcommittee on Social Security and Family Policy, p. 211

⁷⁴L. Mead, "How To Make Sure Workfare Works," Wall Street Journal, April 15, 1987, p.30.

If any of the social policies recommended by conservative analysts are to become serious candidates for adoption as national public policy, they will more likely be based on the kind of argument advocated by Mead...If his arguments...are not adopted wholesale as national policy, aspects of his theoretical rationale on the social obligations of citizenship could, as we shall see, help shape a policy agenda involving obligational state programs.⁷⁵

B. Professor Charles Murray

1. The Findings

As noted by Piven and Cloward, Charles Murray's 1984 book, *Losing Ground*, helped develop and focus the national welfare reform debate. In *Losing Ground* Charles Murray traces the declining position of the poor, documenting: increases in poverty; decline in employment and educational achievement; and a dramatic increase in inner-city crime and female headed families. Because these occurred after the 1960 rise in social spending, Charles Murray interprets these findings as proof that government policies forced the poor sustain: "themselves less and less by work and more and more by relying on government assistance."⁷⁶ As he argues:

The most compelling explanation for the marked shift in the fortunes of the poor is that they continued to respond, as they always had, to the world as they found it, but we--meaning the not-poor and un-disadvantaged--had changed the rules of their world...The first effect of the new rules was to make it profitable for the poor to behave in the

⁷⁵W. J. Wilson, *The Truly Disadvantaged*, p. 160.

⁷⁶F. Block et. al., *The Mean Season*, p. 68.

short term in ways that were destructive in the long term. Their second effect was to mask these long-term losses--to subsidize irretrievable mistakes.⁷⁷

From these findings Murray concludes:

It was wrong to take from the most industrious, most responsible poor...so that we could cater to the least industrious, least responsible poor. It was wrong to impose rules that made it rational for adolescents to behave in ways that destroyed their futures. The changes we made were not just policy errors...but unjust.⁷⁸

For Charles Murray, to reverse the social injustices cause by the Great Society the government needed to eliminate all social welfare programs:

We have available to us a program that would convert a large proportion of the younger generation of hard-core unemployed into steady workers making a living wage. The same program would drastically reduce births to single teenage girls. It would reverse the trendline in the breakup of poor families. It would measurably increase the upward socioeconomic mobility of poor families...The proposed program...consists of scrapping the entire federal welfare and income-support structure for working-aged persons.⁷⁹

⁷⁷C. Murray, Losing Ground, p. 9.

⁷⁸C. Murray, Losing Ground, p. 219.

⁷⁹C. Murray, Losing Ground, p. 227.

2. *The Impact Of Losing Ground*

Losing Ground was used by conservatives, especially within the Administration, to justify the draconian cutbacks to the welfare program. As noted by Edward Berkowitz:

In 1984...*Losing Ground*...caused a sensation, not seen on the borders of government and academia since the days when Michael Harrington...published *The Other America*, and made John F. Kennedy think about launching the War on Poverty...Where as Harrington helped launch the renaissance in government programs. Murray helped promote the counter reformation, Murray's book enabled the conservatives to claim the intellectual high ground by portraying government as the problem, not the solution.⁸⁰

Even the *New York Times* noted the impact of *Losing Ground* on the Administrations budget proposals:

This years budget-cutter bible seems to be 'Losing Ground,' Charles Murray's book appraising social policy in the last 30 years...In agency after agency, officials cite the Murray book as a philosophical base for these proposals, for it concludes that social-welfare programs, far from relieving poverty, increase it and should be stopped.⁸¹

Charles Murray not only helped develop the 1988 FSA by providing policy makers with the ideological justifications for Act in his writings and Congressional

⁸⁰E. Berkowitz, *America's Welfare State* (Baltimore: John Hopkins, 1991), p. 142-143.

⁸¹"Loosing More Ground," *New York Times*, February 3, 1985, 22.

testimony but more importantly by energizing the national debate surrounding welfare reform. As noted by William J. Wilson: “it was not until Charles Murray developed the thesis in his controversial critique of the Great Society, *Losing Ground*, that the welfare thesis was widely discussed in the popular media.”⁸²

C. Judith Gueron

While I devoted considerable attention to MDRC’s findings and its president, Judith Gueron, I want to emphasize in this section that Judith Gueron was a policy entrepreneur. In addition to the evidence I provided in earlier Chapters, I want to stress that due to her extensive publication efforts, MDRC’s findings were public knowledge by 1986 and being used by to justify and develop welfare reform proposals. A fact supported by the use of MDRC findings by numerous commentators during the welfare reform debate in: the mass media, academic journals and Congressional hearings. For example, on 24 February 1986 the *New York Times* reported: “[A] Study by Manpower Demonstration Research Corporation finds that new state programs under which welfare recipients agree to work at public service jobs in return for their benefits are helping some participants find private employment.”⁸³ Within a month of this article an editorial was published stressing: “The Manpower Demonstration Corporation...found that most welfare recipients consider workfare fair, a boost to self-esteem and path the regular employment.”⁸⁴

So, due to Judith Gueron, MDRC’s findings were highly publicized; informing the national welfare reform debate leading to the Act.

⁸²W. J. Wilson, *The Truly Disadvantaged*, p. 93. See also: J. Patterson, *Americas Struggle Against Poverty*, (Cambridge, MA: Harvard University Press, 1986), p. 213.

⁸³*New York Times*, February 24, 1986, I-9.

⁸⁴*New York Times*, March 24, 1986, I-1.

VI. CYCLICAL/CRITICAL EVENTS

As discussed in Chapter one, events such as Presidential Elections often drive actors to engage in policy transfer. It was just such events that lead to the development and passage of the 1988 Family Support Act.

A. Elections

1. 1980

The 1980 and 1988 presidential elections were crucial to 1988 FSA. The 1980 election placed welfare reform on the government agenda with the election of Ronald Reagan to the Presidency. The 1988 Election was equally important because it forced George Bush, Michael Dukakis and Lloyd Bentsen to address welfare reform, insuring the final passage of the Act.

Elections are also important in the process of policy transfer when they bring ideologically driven actors into the policy process. The 1980 presidential election brought such an ideological conservative to the presidency. Ronald Reagan entered office dedicated to reducing the size and scope of the federal welfare program. This is clearly illustrated in the 1980 Republican Party platform:

The Democratic Congress has produced a jumble of degrading, dehumanizing, wasteful, overlapping, and inefficient programs that invite waste and fraud but inadequately assist the needy poor...For two generations, especially since the mid-1960s, the Democrats have deliberately perpetuated a status of federally subsidized poverty and manipulated dependency for millions of Americans...By fostering dependency and discouraging self-reliance, the Democratic Party has created a welfare constituency dependent on its continual

subsidies...As a party we commit ourselves to a welfare policy that is truly reflective of our people's true sense of compassion and charity as well as an appreciation of every individual's need for dignity and self-respect. We pledge a system that will: End welfare fraud...Strengthen work incentives...Provide educational and vocational incentives to allow recipients to become self-supporting.⁸⁵

As this indicates, Ronald Reagan entered office with a commitment to reforming the welfare system and a preconceived notion of the changes which needed to be made. Based on his ideological beliefs and his experiences as Governor he began an eight year battle to reform the Federal welfare system culminating in the 1988 FSA.

2. Elections: 1988

a. Republican Platform

The 1988 election also influenced the development and passage of the 1988 FSA. In fact, the 1988 Republican Party platform called for welfare reform based on the results of State welfare-to-work programs and the emerging 1988 FSA:

Poverty can be addressed by income assistance or in-kind services. Dependency, on the other hand, requires a comprehensive strategy to change patterns of attitude and behavior. We will work to address both poverty and dependency. Work is an essential component of welfare reform, and education is an essential component of employability. Welfare reform must require participation education

⁸⁵“1980 Republican Party Platform,” Historic Documents of 1980 (US: Congressional Quarterly Inc., 1989), p.574-575.

and work, and provide daycare assistance and continued access to Medicaid during the transition to full independence...State and local pilot programs in welfare are cutting edge of welfare reform. States should be granted the authority by the federal government to pursue innovative programs which return teen mothers to school and welfare recipients to work.⁸⁶

b. Presidential Debates

The 1988 presidential debates also focused attention on need for welfare reform. For example, during the second debate, Governor Dukakis criticized Vice President Bush for the Reagan Administration's policy on welfare reform. Moreover, he directly noted the NGA proposal:

Mr. Dukakis - The 50 governors of this nation have proposed to the Congress that we help those families to get off welfare, help those youngsters, help their mothers to become independent and self-sufficient. It's taken months and months to get Mr. Bush and the administration to support that legislation, and they're still resistant.⁸⁷

Later, Governor Dukakis emphasized his support for the welfare reform legislation working its way through Congress:

I'm proud to say that we finally have a welfare reform bill...hundreds of thousands of welfare mothers in this country and in my state...are

⁸⁶“1988 Republican Party Platform,” Historic Documents of 1988 (US: Congressional Quarterly Inc., 1989), p. 658-659.

⁸⁷“Presidential Debates,” Historic Documents of 1988 (US: Congressional Quarterly Inc., 1989), p. 739.

examples of what can happen when you provide training for those welfare mothers, some day care for their children so that those mother can go into a training program and get a decent job.⁸⁸

c. Bentsen and Bush

Perhaps the two crucial events in the final passage of the Act were: Michael Dukakis' decision to chose Lloyd Bentsen, Chairman of both the Senate Finance Committee and the Conference Committee finalizing the 1988 FSA, as his Vice Presidential running mate; and the decision of both George Bush and Michael Dukakis to support S 1511. In fact, while endorsing S 1511 George Bush stated:

'We should seek to keep families together, not split them apart. Move recipients from dependency to independence, off welfare and into the world of work, and involve the private sector...The welfare-reform bill passed the Senate reflects these principles...and I urge Congress to take prompt action on these long-overdue reforms.'⁸⁹

Of more importance, Michael S. Dukakis worked with the Conference Committee to ensure the support and cooperation of Democratic committee members. As *Congressional Quarterly* reported:

One factor apparently driving Democrats to find a middle ground is pressure from the man at the top of their presidential ticket, Massachusetts Gov. Michael S. Dukakis. Bentsen said that, Dukakis

⁸⁸"Presidential Debates," p. 773-774.

⁸⁹J. Rovner, "Welfare Conference Begins, Boyed by Bentsen's Selection," p. 1981. I want to note that while George Bush endorsed S 1511 the Administration continued its official opposition to both S 1511 and HR 1720.

‘is very strong for a bill,’ and sources said that the Democratic nominee had been in touch with conferees by phone in an effort to produce a compromise.⁹⁰

Finally, the importance of Bentsen’s nomination as the Democratic Vice Presidential candidate for the Act’s passage is clearly reflected in Senator Moynihan’s remark: “Bentsen’s selection ‘doubles our efforts to get this bill out as a final memorial to his legislative acumen...You wouldn’t want him to be remembered for something like technical corrections, now would you?’”⁹¹

By announcing Senator Bentsen as his running mate Governor Dukakis made it: “difficult for House Democrats to push too hard for their position in conference negotiations, lest the bill fail and the national ticket be publicly embarrassed.”⁹²

B. State Of The Union Messages

1. 1986 Sets The Ball In Motion

Along with the 1980 and 1988 Presidential Elections, Ronald Reagan’s 1986, 1987 and 1988 State of the Union Messages were of critical importance in the development of the 1988 FSA. President Reagan’s 1986 State of the Union Message provided Congress with the impetus to begin the welfare reform hearings and introduce welfare reform legislation. As the President noted during the Act’s signing ceremony: “This Bill, HR 1720, represents the culmination of more than 2 years of effort and responds to the call in my 1986 State of the Union Message for welfare reform.”⁹³

⁹⁰J. Rovner, “Accord Near on Welfare Bill, But White House May Resist,” p. 2288.

⁹¹J. Rovner, “Welfare Conference Begins, Boyed by Bentsen’s Selection,” p. 1981.

⁹²J. Rovner, “Welfare Conference Begins, Boyed by Bentsen’s Selection,” p. 1981.

⁹³“Revision of the US Welfare System: October 13, 1988,” p. 851.

2. 1987 Democrats Seize The Moment

While President Reagan's 1986 State of the Union Message began the process leading to the Act, it was Congressional disappointment with his 1987 State of the Union Message which ensured the initiative begun in 1986 was carried forward into the final legislation. As noted in *CQ*:

In the absence of a clear signal from President Reagan, Congress is moving ahead with its own plan on...welfare reform...key congressional committees scheduled hearings the week of Jan. 26 to examine the specific proposals everyone assumed would be announced in the 1987 State of the Union address. But...Reagan offered no specific proposals in his Jan. 27 address.⁹⁴

Due to the lack of administrative leadership, Congressional Democrats seized their opportunity to developed their own welfare reform program based on the MDRC studies, Congressional hearings and the NGA proposals.⁹⁵

3. 1988 Cements The Contract

President Reagan's 1988 State of the Union address again called for welfare reform. But, as in 1987, instead of providing Congress with leadership the President only asked Congress to provide States the freedom to experiment with their existing welfare-to-work programs:

⁹⁴J. Rovner, "Congress Takes Ball and Runs After State of the Union Punt," p. 206.

⁹⁵R. Reagan, "State of the Union Message 1987," Historic Documents of 1987 (US: Congressional Quarterly Inc., 1988), p. 112.

My friends, some years ago, the federal government declared war on poverty, and poverty won...States have begun to show us the way. They have demonstrated that successful welfare programs can be built...Let us give the states even more flexibility and encourage more reforms. Let's start making our welfare system the first rung on America's ladder of opportunity--a boost up from dependency; not a grave-yard, but a birthplace of hope.⁹⁶

President Reagan's 1988 State of the Union message not only encouraged Congress to develop a welfare reform program based on State welfare-to-work programs, but encouraged them to move beyond Reagan's proposals; as most Congressmen believed State experiments had already demonstrated the elements needed for a successful national welfare reform program.⁹⁷

CONCLUSION

The 1988 Family Support Act owes its existence to the process of policy transfer, for while many commentators, including President Reagan, claim that the 1988 Family Support Act was a revolution in America's welfare system I have demonstrate that, far from a 'revolution', most of the major provisions within the Act were transferred directly from past federal legislation and from the experiences of state demonstration programs, began in response to the 1981 OBRA and 1982 TEFRA.⁹⁸ In this process Congressional and Administrative policy makers relied on the studies conducted by the MDRC, CBO and GAO for information on State

⁹⁶“Reagan's State of the Union Address January 25, 1988,” Congressional Quarterly Weekly Report, 46: 5 (1988), p. 222.

⁹⁷ It should be noted that the NGA annual conference could also be classified as an cyclical event important in the development of the 1988 FSA. Recall, it was the NGA proposal within, 'Jobs-Orientated Welfare Reform' which acted as the basis of the legislative proposals leading to the Act.

⁹⁸ For an example of President Reagan referring to the Act as revolutionary see: Historic Documents of 1988, p. 851.

welfare-to-work programs. In conjunction with this information, Congressional witness provided Congressional policy makers with the information need to develop HR 1720 and S 1511 in association with the NGA, whose plan acted as the model Representative Ford and Senator Moynihan used to develop there welfare reform proposals. In the process of developing the Act Senator Moynihan and Representatives Ford and Downey were responsible for guiding the Act through Congress with the support of Governors Clinton and Castle. Furthermore, in combination President Reagan and prior legislation determined the acceptable boundaries of the Act. Moreover, President Reagan was one of the key motivational forces driving Congressional policy makers to develop the Act.

In the next set of Chapters I am going to demonstrate how the Thatcher Administration used the experiences and policies developed during the Reagan era to inform and guide the development of the British welfare-to-work system as information on America's system emerged.

Chapter Six

Welfare-To-Work

Comes To Britain

Why?

INTRODUCTION

In chapters two to five I demonstrated the importance of internal policy transfer for the development of the 1988 Family Support Act. Specifically, I showed how past policy and the ideological predisposition of the Reagan Administration constrained and shaped the options available to policy makers designing the Act. I also demonstrated how information provided by MDRC, GAO and CBO studies, Congressional hearings and pressure groups, such as the NGA, provided policy makers with the information necessary to justify and develop the internal elements of the Act. Finally, I demonstrated how cyclical events, in particular the 1980 and 1988 Presidential elections and President Reagan's 1986, 1987 and 1988 State of the Union messages provided the impetus necessary to develop and pass the Act.

In the following four chapters I am going to examine the effect cross-national policy transfer had on the development of the British welfare system during the 1980's. While it is beyond the scope of this Ph.D. to examine all of the changes in the British welfare system in this period (or even the causes of these changes), my aim is to show that the major changes affecting the unemployed, were modeled on the developments in the American welfare system described in the previous chapters. Where appropriate I will also demonstrate the influence the Swedish welfare-to-work system had on the development of the British welfare-to-work system.

However, before beginning it is important to highlight some of the key themes I will present within the next four chapters. First, I will demonstrate that policy makers often engage in transfer to find a solution to a perceived problem. For the Thatcher Government the key problem was the 'emergence' of unemployment as a 'public' problem in the mid-1980s. Before 1985 Government policy was designed to control inflation and the public sector borrowing requirement (PSBR). However, by 1985 the media and academic writers began discussing the existence of mass unemployment. With the media preoccupied with mass unemployment the public began perceiving it as a problem. This meant that, unemployment became an issue the government could not ignore.¹

¹The Governments social security policies prior to 1986 provide an indication of the shift which occurred after the media began discussing unemployment. For example the first Social Security Act

As knowledge of the American and Swedish welfare-to-work programs gradually accumulated through government and institutional studies, newspaper and journal accounts and ministerial visits, the Thatcher Government began developing the British welfare-to-work system to deal with the 'problem' of mass unemployment. In fact, by 1987, with the implementation of the Restart program, new employment availability questionnaires, and the proposal to eliminate the benefit entitlement of 16 and 17 year-olds, observers began drawing links between the Government's new social security arrangements and American welfare-to-work programs.² For example, the *Guardian* reported: "The Government is increasingly being accused of moving step by step towards a British version of the US Workfare state where the unemployed have to work for their benefit."³ More importantly, the British Government began transferring the ideological rhetoric associated with American welfare-to-work programs to alter the public's attitude toward welfare-to-work.⁴ As noted in the *Guardian*:

The Government may not be trying to parachute Workfare into Britain whole-sale, but they are trying to import the ethos that surrounds

of 1980 ended the link between the uprating of unemployment benefits and the increases in earnings. This allowed the Government to reduce the increase in the cost because unemployment benefits were only linked to inflation not earnings. As it became apparent Government reforms were not controlling the growth of the social security budget, The second Social Security Act of 1980 began eliminating the link between uprating and inflation by allowing the Secretary of State to increase various benefits by five per cent less than inflation. The 1986 Social Security Act finally eliminated the link by allowing the Secretary of State to: "vary the amount of any increase 'if he considers it appropriate, having regard to the national economic situation and any other matters which he considers relevant.'" A. B. Atkinson and J. Micklewright, *Turing the Screw* (London: Economic and Social Research Council, June 1988) p. 35.

²I want to emphasize that I must demonstrate that information on American welfare-to-work programs was available and known to policy makers prior to the development of the British welfare-to-work system. Of equal importance, I must demonstrate that the British welfare-to-work system developed in parallel to the American system.

³"The Wages of Work Experience," *The Guardian*, 5 June 1987, 11: 1-7.

⁴I want to emphasize that during the period welfare-to-work programs were being implemented in the AFDC program similar changes were occurring in the Food Stamp program. I emphasize this because it is possible to argue that since the AFDC target population was completely different from the British unemployment benefit population a comparison is not possible. But the American Food Stamp program is target at a very similar population as the British workfare target population so a comparison is possible. More importantly the changes implementing the Food Stamp welfare-to-work programs predate the implementation of the British welfare-to-work system. In fact, as part of a Department of Employment's commissioned report John Burton examined the operation of the American Food Stamp workfare program. See: J. Burton, *Would Workfare Work?* (Buckingham: Employment Research Center University of Buckingham, 1987).

welfare provisions in the US...This shifts the responsibility for unemployment from society in order to convince people that unemployment is their sole responsibility and can be solved by their own personal action.⁵

Finally, before beginning I want to emphasize that, while the following four chapters discuss changes to the social security system, I am restricting my study to the changes governing the treatment of the unemployed individuals attributable to policy transfer. However, it is important to emphasize that Atkinson and Micklewright catalogue 36 other major changes to the social security system relating to unemployment benefits. In fact, Atkinson and Micklewright discovered that the majority of the changes reduced the official level of unemployment; particularly, the Government's decision in 1982 to redefine unemployment to include only individuals registered as unemployed and claiming benefit. It is important to acknowledge these changes because they interact with the changes attributable to policy transfer to institute a complete British welfare-to-work system.⁶

Having provided a brief introduction to the themes of the following four Chapters, the remainder of this chapter will show why the British Government initiated the process of policy transfer. In particular, I will demonstrate why the Government looked to the United States and Sweden in the development of their policies. Subsequently, I will show that policy makers had knowledge of the American and Swedish welfare-to-work systems which they used to develop the British welfare-to-work system.

⁵"The Wages of work experience," 11: 1. For a full discussion on the influence of New Right ideology on the Government's policies see: D.S. King, The New Right (London: Macmillan, 1987); R. Plant, "Welfare and Enterprise Society," in T. Wilson and D. Wilson (eds.), The State and Social Welfare (New York: Longman, 1991), pp. 73-88; V. George and S. Miller (eds.), Social Policy Towards 2000 (London, New York: Routledge, 1994).

⁶For a good review of the changes to occur between 1980 and 1990 See: A. B. Atkinson and J. Micklewright, Turning The Screw: Benefits for the Unemployed 1979-1988; J. C. Brown, Victims or Villains? Social Security Benefits in Unemployment (New York: Joseph Rountree Memorial Trust, 1990); C. Walker, Managing Poverty: The Limits of Social Assistance (London: Routledge, 1993); K. Andrews and J. Jacobs, Punishing The Poor: Poverty under Thatcher (London: Macmillan, 1990); M. Hill, Social Security Policy in Britain (Aldershot: Edward Elgar, 1990); A. Digby, British Welfare Policy (London: Faber and Faber, 1989).

I. WHY LOOK ?

As I discussed in Chapter two, policy makers must feel the need to change the existing system before engaging in policy transfer. As Richard Rose stated: “Doing nothing is always a strategy that policymakers can follow. Inaction is efficient, for it requires the minimum investment of effort.”⁷ Four factors influenced the Thatcher Government’s decision to transfer welfare-to-work lessons from the United States and Sweden: the rise in public concern over unemployment; electoral uncertainty; the Government’s fear of being left behind by Britain’s major economic competitors; and a belief that the existing social security system was not stringent enough.

A. Unemployment

1. Early 1980s: Inflation and PSBR Were The Objectives

One of the key reasons policy makers engage in policy transfer is to alleviate a perceived problem. In the development of the British welfare-to-work system this problem was the emergence of unemployment on the public agenda. Contrary to the assertion of some academics, the Government did not consider unemployment a “problem” until the mid-1980s.⁸ Indeed, according to Vic George and Stewart Miller, the Government used unemployment to control inflation.⁹ Specifically, when the Thatcher Government entered office in 1979, their key aims were to reduce public spending and personal and business taxation in order to eliminate the PSBR.¹⁰ These objectives were based on the Prime Minister’s monetarist beliefs: “that the money supply is the cause of inflation: careful control and monitoring of the rate of change in the money supply is...sufficient to control inflation.”¹¹ Associated with this belief was

⁷R. Rose, *Lesson-Drawing in Public Policy* (New Jersey: Chatham House, 1993), p. 50.

⁸For example, Desmond King states that: “From 1979 on, government policy towards training was based on expediency and short-term political calculation dictated by the problem of unemployment.” D. King, *Actively Seeking Work*, p. 162.

⁹V. George and S. Miller “The Thatcherite Attempt to Square the Circle,” in: V. George and S. Miller (eds.), *Social Policy Towards 2000*, pp. 22-48. p. 24-25.

¹⁰For more information see: S. Glynn, “Employment Welfare, Work and Politics,” in: V. George and S. Miller (eds.), *Social Policy Towards 2000*, pp. 64-88; D. King, *The New Right*; W. Keegan, *Mrs. Thatcher’s Economic Experiment* (Harmondsworth: Penguin Books, 1984); E.J. Lané (eds.) *State and Market* (London: Sage, 1985).

¹¹D. King, *The New Right*, p. 113.

the philosophy that: “economic policy should be minimal, concerned exclusively with controlling the money supply over the long run rather than with short-term efforts to maintain full employment or with stabilization policy.”¹²

The Government: “translated this theory into two policy objectives, the first...a controlled money supply...The second...to reduce the public sector borrowing requirement (PSBR).”¹³ These priorities were expressed in *The Government's Expenditure Plans, 1980-81*. Specifically, the White Paper opens:

Public expenditure is at the heart of Britain's present economic difficulties...Higher output can only come from lower taxes, lower interest rates and less Government borrowing, and better use of investments.¹⁴

These ideas combined to eliminate unemployment as a problem during the first and most of the second Thatcher Governments.

However, beginning in the mid-1980s the Government began to shift its position as public concerns began mounting over the unprecedented levels of unemployment. To give a brief idea of the unemployment situation by the mid-1980s, while standardized unemployment rates in Britain averaged 4.3 per cent throughout the 1970s, they jumped to 10.0 per cent during the 1980s.¹⁵ In real numbers unemployment increase from just under 1.3 million in 1979 to a high of just under 3.3 million in 1986.¹⁶

The rise in unemployment became a public problem by 1985 when newspaper and journal articles began addressing it as a problem. However, even then the

¹²D. King, *The New Right*, p. 114.

¹³D. King, *The New Right*, p. 114-115.

¹⁴White Paper, *The Government's Expenditure Plans, 1980-1981 to 1983-84* Cmnd 7841 (London: HMSO, 1979) p. 1-2.

¹⁵V. George and S. Miller “The Thatcherite Attempt to Square the Circle,” p. 25.

¹⁶These official statistics are questionable, for as catalogued by Atkinson and Micklewright, between 1979 and 1988 the Government made 24 changes to the way unemployment figures were counted. For instance while the official count in May 1986 was 3, 271,000, the Unemployment Unit placed it at 3,716,000. See: L. Morris and T. Hewelwyn, *Social Security Provisions for the Unemployed*, p. 57. For a breakdown of unemployment statistics from 1955 to 1991 see: D. King, “The Establishment of Work Welfare Programs in the United States and Britain,” in S. Steinmo, K. Thelen, and F. Longstreth (eds.), *Structuring Politics* (Cambridge: Cambridge University Press, 1992), pp. 217-250. p. 225.

Government denied there was an unemployment problem.¹⁷ This lack of concern is reflected in official statements up to early 1986. For example, at dinner with Governor Dukakis, the *Financial Times* reported:

The official was arguing that Britain's record unemployment rate would not be a dominant issue at the next general election. Did this mean, he was asked, that the UK was learning to live with the idea that there is a large underclass of unemployables in Britain? His reply was affirmative.¹⁸

However, between 1985 and the end of 1986 the emphasis within the media shifted from attacking the Government's lack of policy to attacking the Government efforts to reduce the number of individuals on the unemployment register rather than addressing the cause of unemployment. So, by the end of 1986 the Government was no longer ignoring unemployment. Briefly, an example of a typical story in early 1985 stated:

Although many people are now preoccupied with the value of the Pound and the level of interest rates, unemployment remains the most important problem facing the Government. Measures to deal with the issue should be based on an imaginative and eclectic approach encompassing a wide range of policy instruments.¹⁹

¹⁷For more information of the process of public problems forcing the government into action based on the media's presentation of an issue see: C. Hay, "Mobilization Through Interpellation: James Bulger, Juvenile Crime and the Construction of a Moral Panic," *Social and Legal Studies* 4: 2 (1995), pp. 197-224; W. Gamson and A. Modigliani, "Media Discourse and Public Opinion on Nuclear Power: A Constructionist Approach," *American Journal of Sociology*, 95: 1 (1989), pp. 1-37; L. Erbring, "Front-Page News and Real-World Cues: A New Look At Agenda-Setting by the Media," *American Journal of Political Science*, 24: 1 (1980), pp. 16-49.

¹⁸S. Fleming, "Politics Returns to the Ghetto," *Financial Times*, 2 July 1986, 1: 3.

¹⁹N. Forman and J. Maples, "Jobs: a Package that Would Work," *The Times*, 18 February 1985, 12: 1.

By 1986 a typical report announced: “Thousands of long-term unemployed are melting from the register,” as a result of Government programs and statistical manipulations.”²⁰

Moreover, by the end of 1986 Government officials began publicly stressing the Government’s efforts to reduce unemployment.²¹ For example, Secretary of State for Employment, Lord Young, announced: “During the past six months unemployment has fallen by more than 100,000, the best performance since 1973.”²² Compared to the statements given the Governor Dukakis the year before this could be described as a major reassessment of Government policy.

Finally, by 1987 the rhetoric shifted again. The media was now drawing comparisons between the Government’s social security policies and the American and Swedish welfare-to-work programs. For example, on 23 April 1987 the *Times* reported:

Employment ministers are known to have studied schemes for making the unemployed take tests or menial jobs before qualifying for benefits, as is done in the United States.²³

This is an important citation because it indicates that by 1987 the Government was studying welfare-to-work systems and that the media was aware of these programs. These are two of the conditions, awareness of and interest in a policy, that must be satisfied to illustrate the process of policy transfer.

B. Elections:

As with the development of the 1988 FSA, elections were a key factor in the Government’s decision to engage in policy transfer. Specifically, the rise in public

²⁰R. Faux, “Long-Term Jobless are Melting From the Register,” *The Times*, 1 December 1986, 2: 3.

²¹Again the time progression should be noted for not only did the government begin introducing these measures in 1986, but as demonstrated in the preceding Chapters, it was during this period that American welfare-to-work programs began to receive considerable attention, within the American and British media.

²²R. Faux, “Long-Term Jobless are Melting From the Register,” *The Times*, 1 December 1986, 2: 3.

²³S. Gunn, “Tories ‘Plotting Against Jobless,’” *The Times*, 23 April 1987, 4: 2.

dissatisfaction with the unemployment statistics, increased the Government's electoral insecurity, driving it to find mechanisms to reduce the number of officially registered unemployed. To accomplish this the government turned to the American and Swedish welfare-to-work programs.

1. Reduce The Numbers

One of the earliest links between the unemployment count and the imminent elections appeared in the *Economist*, 22 February 1986:

Two months of bad unemployment figures have left ministers uncomfortably aware that there is little time left to reduce the total to a more electorally presentable level. But what to do? One step is (yet another) piece of statistical juggling announced this week...Another is a new look at the terms on which benefit is drawn.²⁴

In the later part of 1986 articles actually began linking Government efforts to reduce the unemployment count with the general election. For example, on 30 October 1986, The *Financial Times* reported:

DERIVING a reliable picture of underlying trends in the Labour market from the Government's monthly unemployment statistics has long been difficult. The seemingly endless list of changes introduced by the Department of Employment in the way the figures are compiled and presented now threatens to make it impossible...What ever the justification...It seems a reasonably safe assumption that the official jobless count will fall in the run-up to the next election. Whether that will be simply a statistical illusion or not is a much harder question [capitalization in original].²⁵

²⁴"Keep Looking," *The Economist*, 22 February 1986, p. 28.

²⁵P. Stephens, "Haze of Statistics Around Unemployment Thickens," *Financial Times*, 30 October 1986, 9: 3-8.

2. *Welfare-To-Work Begins*

In addition to forcing the Government to reduce the unemployment count, the 1987 General Election was used by the Government to legitimize the introduction of welfare-to-work programs, especially those targeted at 16 and 17 year-olds. Perhaps the foremost evidence of this comes from the Prime Minister herself. As the *Times* put it:

The Prime Minister yesterday gave the broadest hint yet of an election in June as she told MP's that "very soon" the Conservative manifesto would include plans to stop unemployment benefits to youngsters aged 16 to 18 who refused to take up jobs, continue education or accept a training place.²⁶

Another aspect of the emerging welfare-to-work system introduced in response to the 1987 General election was a new entitlement questionnaire designed to reduce to the number of individuals claiming benefit, and thus the total unemployment count. As reported in the *Financial Times*:

THE NEW process for assessing which claimants are entitled to unemployment benefit is to be introduced...the questionnaire was "designed to frighten" people off the dole queues thus making the unemployment total look lower than it really was at the next election [capitalization in original]²⁷

²⁶R. Oakley, "Benefit Plans Give Commons June Poll Hint," *The Times*, 24 April 1987, 1: 7-8.

²⁷T. Lynch, "New Rules 'Will Frighten People Off the Dole,'" *Financial Times*, 29 October 1986, 12: 2. This is an important citation because it illustrates the Government's initiation of the British welfare-to-work system through the introduction of new questionnaires to reduce benefit eligibility. I also want to emphasize that the 1979 election was crucial for bringing in an ideologically conservative Government predisposed to the implementation of welfare-to-work programs.

C. Feelings of Being Left Behind

1. Government Reports

Often policy makers engage in policy transfer when they perceive themselves falling behind the international community in the development of policies or programs. Feelings of comparative inadequacy were clearly expressed in government reports and Parliamentary questions leading to the development of the British welfare-to-work system. For example, in 1984 the Institute of Manpower Studies prepared a study for the MSC and the National Economic Development Office comparing Britain's education and training performance with that of the Federal Republic of Germany, Japan and the United States. The study concluded that Britain needed to improve its system of vocational education in order to maintain its competitive position within the world labor market.²⁸

This report was followed by the White Paper, *Employment The Challenge for the Nation*, which compared Britain's economic performance to its closest competitors. The White Paper concluded that training: "Needs to be improved...[Because] Until recently we were well behind other countries in the provision of youth and adult training."²⁹

This theme continued within government reports until the 1988 publication of *Employment for the 1990s*. Cm 540 devotes an entire section to an international comparison of Britain's poor training performance, concluding: "This is not a new problem. Many reports over the last 150 years have drawn unfavorable comparisons between our training and education systems and those of our overseas competitors."³⁰

²⁸See: C. Hayes, A. Anderson and N. Fonda, Competence and Competition: Training and education in the Federal Republic of Germany, the United States and Japan (Sheffield: MSC/NEDO, 1984). This report also called on Britain to transfer lessons from these countries to develop a competitive training program. See: p. iv.

²⁹White Paper, Employment The Challenge for the Nation, Cmnd 9474 (London: HMSO, 1985), p. 13. Emphasis in original. See also: White Paper, Employment The Challenge for the Nation, p. 15.

³⁰HMSO, Employment for the 1990s, Cm 540 (London: HMSO, December 1988), p. 28.

2. *Parliamentary Questions*

During Parliamentary Question Time ministers often linked the need to implement training measures with the aim of catching up with Britain's economic competitors. For example, on 2 April 1984 Tom King, Secretary of State for Employment, announced:

it is clear that our more successful competitors such as Germany, the United States, and Japan invest more in training than we do. In these countries the greater commitment to training comes not so much from the Government as from the employers³¹

I used this citation because it indicates that in the early 1980s the Government was using comparisons to encourage business to invest more in training. However, by 1988 officials were using overseas comparisons to call on the government to invest more in training. For example, Michael Meacher stated:

Britain now spends only just over 0.1 per cent. of its payroll on training to improve the skills of those in work, as compared with 2 per cent. to 3 per cent in Germany and Sweden. There is a huge gap. Having dismantled most of Britain's training programmes, the Government are still ignoring the major part of the problem.³²

D. Dissatisfaction With The System

The predominant cause of policy transfer identified within the literature is dissatisfaction with the status quo. This is clearly one of the reasons the Government engaged in policy transfer in developing the British welfare-to-work system. There

³¹Parliamentary Debates (Hansard) Official Record House of Commons, 12 November 1985, vol. 86, col. 441. It should be noted that this passage indicates an awareness of the MSC report, Competence and Competition.

³²Parliamentary Debates (Hansard) Official Record House of Commons, 10 February 1988, vol. 127, col. 408.

are three primary aspects of this argument: the system's structure was too complex; it provided work disincentives; and it fostered dependency.

1. Too Complex

The Thatcher Government entered office ideologically opposed to the social security system. By 1983 this led to what Norman Fowler described as a “fundamental reshaping of the system.” Based on results of the Fowler review, the government released the Green Paper, *Reform of Social Security*, which stressed the need to simplify the existing social security system. Specifically, the Green Paper argued: “At present the scheme [supplementary benefit] suffers from three main problems. *First*, it is too complex. It is difficult for claimants to understand and for staff to run... We believe people want a simpler system.”³³

This theme was carried through to the White Paper, Cmnd 9691 which set up the reforms of the Social Security Act 1986: “The case for the reform of social security is overwhelming...social security is too complex...The need is not for trimming but for proper reform.”³⁴

2. Work Disincentives

The Government also justified the implementation of the 1986 Social Security Act with the emerging rhetoric of work disincentives.³⁵ For example, the sixth report of the Social Security Advisory Committee (SSAC) emphasized: “The benefit structure of the unemployed and disabled must retain the incentive to work. A system with no incentives to work legitimizes the accusation that all claimants are freckless.”³⁶ The Committee's third research paper developed these themes arguing:

³³HMSO, *Reform of Social Security*, Cmnd 9517, p. 31.

³⁴*Reform of Social Security*, Cmnd 9691, p. 1. It should also be noted that similar arguments were appearing within the American political system, which enhanced the attractiveness of the United States as a model for British welfare reforms. For example see: N. Dunne, “US Administration Launches Welfare Reform Campaign,” *Financial Times*, 16 December 1986, 4: 4-9.

³⁵See: D. King *Actively Seeking Work*, esp. p. 178.

³⁶Social Security Advisory Committee, *Sixth Report of the Social Security Advisory Committee* (London: HMSO, 1989), p. 11.

Whilst in-work benefits have been seen as one way of bolstering the incentive to seek or remain in employment, an alternative approach to reinforcing the work incentive is to tighten the rules of eligibility for benefit, and this in effect is what the 1989 Social Security Act achieves.³⁷

It is important to emphasize this passage because it links the Government's desire to eliminate the perceived work disincentives with the implementation of welfare-to-work programs.³⁸

3. Dependency

While I am going to examine the transfer dependency rhetoric in Chapter seven, it is important here to stress that the Government used this rhetoric to explain their dissatisfaction with the social security system. Moreover, they used this rhetoric to introduce welfare-to-work programs. For example, these arguments were used to justify the withdrawal of benefit entitlement from 16 and 17 year-olds. As Simon Burns stated: "The idea behind clause 4 arises partly out of misgivings...that it is too easy...to slide straight from education on to supplementary benefit."³⁹

III. WHY LOOK TO THE USA AND SWEDEN

When engaging in policy transfer, policy makers will inevitably limit their search as a result of the ideological, structural and resource constraints of the policy making system.⁴⁰ In developing the British welfare-to-work system eight constraints

³⁷L. Morris and T. Hewelby, *Social Security Provisions for the Unemployed*, p. 53

³⁸For example of these links being made by Government Ministers see: Parliamentary Debates (Hansard) House of Commons Official Report Standing Committee F, 31 January 1989, col. 184.

³⁹Parliamentary Debates (Hansard) House of Commons Official Report, vol. 125, col. 323. See also: A. Atkinson and J. Micklewright, *Turning the Screw*, p. 32.

⁴⁰For more information see Chapter one

led policy makers to borrow from the American and Swedish welfare-to-work systems.

A. Ready Made Solution

“In the early 1980s the Thatcher Government’s stated objective of reducing public spending and taxation was defeated, in large part by the sharp rise in unemployment.”⁴¹ This failure, coupled with the rise in unemployment, necessitated a new approach to social security reform. The American and Swedish welfare-to-work systems, designed to reduce the number of unemployed individuals claiming benefits and increasing the employability of those on welfare, provided a ready made solution to the Government’s problems. What is more important, the emphasis in American welfare-to-work programs matched the Government’s ideological beliefs. Finally, the emphasis on education and training in American welfare-to-work programs, provided an answer to the various reports calling for greater government involvement in the education and training of the workforce.

B. Pressure Groups/Think Tanks

During the 1980s numerous groups advised the Government to adopt American and Swedish welfare-to-work programs. One of the more important of these groups was Charter For Jobs.⁴² The group’s primary objective was the promotion of Sweden’s welfare-to-work system. As noted in the *Times*

The Charter For Jobs, the all party pressure group on unemployment yesterday called on the government to follow Sweden’s example and bring about full employment...The Charter for Jobs is Particularly

⁴¹S. Glynn “Employment, Welfare, Work and Politics,” p. 100.

⁴²The group initially formed as Employment Institute but changed its name and focus by late 1986. For more information see: P. Webster, “All-Party Coalition Formed to fight Thatcher on Jobs,” The Times, 18 April 1985, 1: 2-4.

impressed with Sweden's achievement in offering a job-guarantee to the long-term unemployed.⁴³

Another indication of the influence of pressure groups in promoting American welfare-to-work programs comes from the *Sunday Times*, which reported:

British pressure groups like Gingerbread and the National Council of One-Parent Families are well aware of what has been happening across the Atlantic, and have been shaping their strategies accordingly. The councils next annual conference, on November 18, will be largely taken up with issues that the Moynihan initiative has raised.⁴⁴

Finally, in an analysis of the development of welfare-to-work programs Desmond King outlines the role New Right think tanks, influenced by their American counterparts, had on the development of British welfare-to-work programs. Specifically, he argues: "In Britain these [ideas] were provided by think tanks outside the state...these groups criticized the universalism of the welfare system, citing the United States as a preferable model, and they promulgated the views of American scholars."⁴⁵

C. We Do Not Have Workfare (The wolf in sheep's clothing approach)

The Government used its knowledge of welfare-to-work programs to deny it was developing British welfare-to-work programs, even after it became apparent they were. Anne Digby establishes the reasoning behind the Government's denials for: "In

⁴³D. Smith, "UK 'Must Follow Sweden on Jobless,'" *The Times*, 19 September 1986, 22: 8.

⁴¹P. Wilsher, "Single Mothers Pushed on the Payroll," *Sunday Times*, 9 October 1988, 3H: 2-7.

⁴⁵D. King, "The Establishment of Work-Welfare Programs in the United States and Britain," p. 237. I want to emphasize here that it could be argued that the evidence I have presented is circumstantial and that pressure groups did not make a difference to the development of welfare-to-work programs. However, Parliamentary testimony by Labour MP Mrs. Wise presents convincing evidence that pressure groups were influencing the Government and Opposition: "The Government should bear in mind, however, that we also had alongside us, offering us briefings and help, many voluntary organizations. I know that, being non-political bodies, they will undoubtedly have been offering the same help to Conservative Members." Parliamentary Debates (Hansard) House of Commons Official Record, 13 January 1988, vol. 125, col. 391.

Britain workfare is largely perceived in pejorative terms...Ministers therefore feel the need to deny that workfare is in fact on the agenda.”⁴⁶ The easiest way to deny that workfare was on the Government’s agenda was to misrepresent its operation within the United States and Sweden. For example, after demonstrating a firm understanding of MDRC findings, Kenneth Clark stated: “I do not believe that it would be either suitable or necessary to introduce into this country a working-for-benefit system.”⁴⁷

As evidence mounted that the Government was introducing a British welfare-to-work system the Government began arguing that British programs were not equivalent to American programs because they did not force people to join the schemes. As these arguments began to fail they shifted their tactics to denying their programs were workfare because they involved training not work: even though there is clear evidence the government knew these arguments did not involve an accurate depiction of American or Swedish welfare-to-work programs.⁴⁸ A clear example of how the Government manipulated their arguments occurred during the 1988 Employment Bill’s Standing Committee stage:

Mr. Cope:...if we were moving towards workfare, as is *generally understood* in the United States...the clause would not cover it.

Mr. Meacher:...The scheme may not exactly resemble workfare but it is a close proximity...

Mr. Cope: One of the reasons why the scheme differs from workfare is that it involves training. That is an important difference.

Mr. McLeish: The Minister again said that the scheme could not be workfare because it involved training. I draw his attention to the United States from where the concept originated. In

¹⁶A. Digby, *British Welfare Policy*, p. 114. D. King also discusses the Government’s denials of the introduction of workfare but also fails to link it to their understanding of the United States and Sweden. See: D. King, “The Establishment of Work-Welfare Programs in the United States and Britain,” p. 237-238.

⁴⁷Parliamentary Debates (Hansard) Official Record House of Commons, 28 October 1986, vol. 103, col. 179.

⁴⁸For example see: Parliamentary Debates (Hansard) Official Record House of Commons, 23 April 1987, vol. 114, col. 787.

Massachusetts...training and work are combined into workfare. The essence of the concept is...the combination of income maintenance with temporary work or training...It is not appropriate for the Minister to say that, because it is training, it cannot be workfare...This country is moving dramatically towards *the Americanised concept*..⁴⁹

D. Structural Compatibility

The institutional and policy legacies policy makers inherit influence the options available to policy makers. These structures also affect where they look for lessons. In the development of British welfare-to-work programs the structure of the American and Swedish welfare-to-work systems enhanced their attractiveness and usefulness to the Thatcher Government.⁵⁰

1. Insurance-Assistance Divide

In the United Kingdom social security benefits can be divided into three major categories designed to meet distinct types of welfare needs. Contributory or entitlement benefits, depend on the recipient establishing a contributory record to the National Insurance fund. In return, claimants are entitled to receive government payments consisting of: retirement pension; widows' benefit; unemployment benefit; and maternity allowances. Non-contributory, non-income related benefits are benefits everyone is entitled to depending upon government specified needs or qualifying conditions. Finally, non-contributory income related benefits, or means-tested benefits, are available to people whose income and assets fall below a government-set

⁴⁹Parliamentary Debates (Hansard) Official Report Standing Committee F, 26 January 1988, col. 753-755, emphasis added. See also: Parliamentary Debates (Hansard) Official Report House of Commons, 13 January 1988, vol. 125 col. 323-324; Parliamentary Debates (Hansard) Official Report House of Commons Standing Committee E, 1 December 1987, col. 313. It is also worth emphasizing that Norman Fowler publicly refuted statements that the Government was instituting a form of compulsion into YTS by withdrawing benefits from those who refused a place on the course. See: C. Leadbeater and P. Bassett, "Training Plan Not Compulsory for Unemployed Says Fowler," *Financial Times*, 24 March 1988, 11: 6-8.

⁵⁰I also want to emphasize that the unitary nature of the British political system enhanced the Government's ability to borrow from the United States and Sweden.

threshold.⁵¹ These divisions are broadly replicated in the American social security system which made it a natural model for Conservative British reformers.⁵²

2. Eligibility: Deserving Vs. Undeserving

The similarities between the American and British social security systems is enhanced by the similarities in the eligibility requirements for unemployment insurance. As recognized by the Social Security Advisory Committee, in the United States:

Unemployment benefits are available as a right to unemployed workers with a specified record of work in covered employment, who are ready, able and willing to work...Reasons for disqualification are much the same as in this country, voluntary separation from work, discharge for misconduct, refusal without good cause to accept or apply for suitable employment, and unemployment due to labour dispute.⁵³

Furthermore, the symmetry in the rhetoric distinguishing the deserving from the undeserving poor in America and Britain enhanced the attractiveness of US welfare-to-work programs. Specifically, this occurred because recipients of means-tested and unemployment benefits, in their respective countries, were classified as undeserving poor. Moreover, the 1980s saw the re-emergence of the distinction between the deserving and undeserving poor occur in both countries.

⁵¹For more information on the structure of the British social security system see: S. Ennals, Understanding Benefits 1992-1993 (London: British Medical Journal, 1992); Social Security Advisory Committee, Eighth Report of the Social Security Advisory Committee (London: HMSO, 1993).

⁵²For more information on the overall design of the American Social Security system see: T. Skocpol and J. Ikenberry, "The Political Formation of the American Welfare State: In Historical and Comparative Perspective," Comparative Social Research, 6, (1983), pp. 87-148; M. Katz, In the Shadow of the Poorhouse (USA, Basic Books, 1986); J. Patterson, America's Struggle Against Poverty, 1900-1980 (Cambridge: Harvard University Press, 1981); L. Merriam, Relief and Social Security (Washington, D.C.: Brookings Institution, 1946).

⁵³L. Morris and T. Hewellyn, Social Security Provisions for the Unemployed, (London, HMSO, 1989), p. 107.

3. *Structure: Unitary System/Government Majority*

The unitary structure of the British political system in combination with the size of the Government's majority between 1979 and 1990 further enhanced the Government's ability to borrow from the United States and Sweden.⁵⁴ These factors enabled the Government to impose welfare-to-work programs on the country, regardless of the political opposition. Furthermore, the unitary nature of the British system allowed the Government to develop the underlying structures of the welfare-to-work system during its first two terms⁵⁵ By the third term the remaining structures of the Employment Training Program, the withdrawal of benefits from 16 and 17 year-olds and the actively seeking rules necessary for establishing an American style welfare-to-work system were easily implemented.⁵⁶

E. Compatibility Of Goals

1. Shift From Insurance To Assistance

The attractiveness of the American welfare-to-work system was enhanced by the compatibility of goals between the Reagan and Thatcher Administrations.⁵⁷ Of particular importance was the Government's desire to shift the British social security system away from insurance based benefits towards means-tested benefits, the central characteristic of American federal welfare programs.⁵⁸

⁵⁴Desmond King recognizes this but fails to link it to the development of British welfare-to-work program. Rather he concentrates on ideological similarities within the Thatcher and Reagan Administrations. See: D. King, *Actively Seeking Work*; D. King, "The Establishment of Work-Welfare Programs in the United States and Britain."

⁵⁵For example: the Restart program, Youth Training Scheme and the Community Programme.

⁵⁶While numerous authors discuss the Government's development of workfare programs during its third term few discuss the importance the previous two term had in laying the groundwork necessary for these changes and none discuss it from a policy transfer prospective. See: D. King, *Actively Seeking Work*; A. Digby, *British Welfare Policy*; N. Ginsburg, *Divisions of Welfare* (London: Sage, 1992); D. King, "The Establishment of Work-Welfare Programs in the United States and Britain,"; C. Walker, *Managing Poverty*; J. Brown, *Victims or Villains?*

⁵⁷For a through review of the similarities see, D. King, *The New Right*

⁵⁸For more information on the Governments knowledge of this aspect of the American Social Security system see: Social Security Advisory Committee, *Eighth Report of the Social Security Advisory Committee*; L. Morris and T. Hewellyn, *Social Security Provisions for the Unemployed*. It is also important to distinguish between national and local benefits for while there are few national benefits available to families or single men within the United States beyond food stamps and

The desire to shift the social security system from insurance to means-tested benefits can be traced to Derek Rayner's 1981 report, "Payments of Benefits to Unemployed People." Within this report: "Rayner...favoured the abolition of unemployment benefit altogether and its replacement by supplementary benefit, but fell short of recommending it because 'the idea of means testing every claimant might not be politically acceptable.'"⁵⁹ However, the Government retained its desire to expand the use of means-tested benefits into the later part of the 1980s. As reflected in Lord Bank's remarks:

As I understand it, 350,000 people are expected to lose entitlement to unemployment benefit. Of these, 300,000 may qualify for income support. So it would seem that what the Government are doing here is transferring people from benefits as of right to means-tested benefit.⁶⁰

By altering the distribution between insurance and means-tested benefits throughout the 1980s, the Government moved the British social security system distinctively closer to the distribution found in the United States.⁶¹

2. Devolution

The American welfare system operates within a federal structure, giving State and local governments considerable control over the design of welfare-to-work programs. The ability of States and localities to operate federally-funded programs further attracted the Thatcher Government to American welfare-to-work programs as a means of shifting the responsibility for funding and operating these programs away

Medicaid, many States provide a form of means-tested General Assistance to unemployed individuals

⁵⁹K. Anderson and J. Jacobs, Punishing the Poor, p. 148. The desire to eliminate insurance based benefits can also be seen though out the Fowler reviews which lead to the Social Security act of 1986. See: K. Anderson and J. Jacobs, Punishing the Poor; C. Walker, Managing Poverty; Cmnd 9517; Cmnd 9518; Cmnd 9519.

⁶⁰Parliamentary Debates (Hansard) Official Report House of Lords, 25 January 1988, vol. 492, col. 433.

⁶¹For the most complete review of the changes to the system effecting insurance and means-tested programs see: A. Atkinson and J. Micklewright, Turning the screw.

from the central government.⁶² As early as 1984 Government reports began emphasizing the importance of the local orientation of German and American employment and training programs to their comparative advantage in the labor market. Moreover, many of these reports advanced this approach for the British training system. For example, “A Challenge to Complacency: Changing attitudes to training” advised the Government to devolve power over training to local bodies modeled on the American Private Industry Councils and German Chambers of Commerce: **“We suggest that the American PIC’s, the German chambers of commerce...would each be worth examining further as possible models for the local arrangements we think are needed.”**⁶³

British officials continued to express their desire for locally oriented training programs throughout the 1980s, culminating with the White Papers: *Training for Employment* and *Employment for the 1990s*⁶⁴ In fact, *Employment for the 1990s* firmly establishes that the Government designed its training programs based on the experience of the United States:

Several countries, notably Germany and the United States, also have...locally based training systems...Such systems are much more likely to be attuned to the shifting pattern of employer needs, and to individuals’ requirements, than the more inflexible arrangements at national and industry levels.⁶⁵

Moreover, the White Paper stresses that: “A key requirement is that the delivery of training...must relate closely to the circumstance of each local area...By

⁶²This was simply part of the Government’s wider move toward privatization and increase use of quangos for central government programs and institutions.

⁶³NEDO/MSC, *A Challenge to Complacency*, p. 26. Emphasis in original.

⁶⁴It is worth mentioning that during the two years leading to passage of the 1988 FSA the Thatcher Government was provided with the justification and information needed to develop locally designed and implemented welfare-to-work programs within Britain as numerous studies and Congressional witnesses stressed the necessity of retaining local flexibility. This lesson was clearly integrated into the design of the ET and TECs.

⁶⁵White Paper, *Employment for the 1990s*, Cm 540 (London, HMSO, 1988), p. 29.

tailoring approaches to their own circumstances, localities are more likely to find solutions that work.’⁶⁶

So, the local orientation of the American welfare system and particularly its role in welfare-to-work programs attracted the Thatcher Government to the US.

F. Similar Aims/Reduce The Benefit Count

As noted, the Government began developing welfare-to-work programs in response to rising unemployment. This was one of the key aims of American welfare-to-work programs.⁶⁷ For example, in MDRC’s final evaluation of the San Diego Job Search and Work Experience Demonstration program they found: “county officials specified two main objectives: developing the work skills of welfare recipients, and *reducing the rolls and the cost of welfare.*”⁶⁸ Since the Government was aware of MDRC’s findings, it was aware that one of the primary goals of American welfare-to-work programs was to reduce the number of individuals receiving AFDC and also that they were generally successful with this goal.⁶⁹

Given the primary objective of most American welfare-to-work programs was the reduction of AFDC claimants is it any wonder the Thatcher Government was attracted to American programs in its efforts to reduce the number of officially registered unemployed?

G. Control Public Sector Borrowing Requirement

A goal closely related to reducing the unemployment count was the Government’s desire to eliminate the PSBR, in particular in relation to social spending. This desire further attracted the Thatcher Government to the United

⁶⁶Employment for the 1990s, Cm 540, p. 39.

⁶⁷While numerous authors realize the Government’s goal was to reduce the number of officially registered unemployed, none connect this to the attractiveness and use of American and Swedish welfare-to-work programs.

⁶⁸B. Goldman, D. Friedlander, D. Long , M. Erickson and J. Gueron, Final Report On The San Diego Job Search and Work Experience Demonstration, p. 5. Emphasis added. See also: J. Gueron, Reforming Welfare With Work, (USA: Priority Press, 1987).

⁶⁹See Also: P. Barry, “Working For Their Welfare,” The Times, 7 April 1986, 12: 4.

States, for the reduction of government spending on all non-defense programs, was the stated goal of the Reagan Administration. More importantly, the reduction of welfare costs was the stated goal of all welfare-to-work programs.⁷⁰

As unemployment undermined the Government's monetarist programs it was attracted to American welfare-to-work programs because of their underlying goal of reducing public expenditure. The Government could not have avoided the cost-saving aspects of American welfare-to-work programs. As the *Times* reported: "The benefits of workfare in its various forms can be summed up in the simple equation: It saves the taxpayer money."⁷¹

H. Ideologically Similar

As discussed in Chapter one, policy transfer is often ideologically based. In developing the British welfare-to-work system the shared New Right ideology of the American and British Governments inclined the Thatcher Government to adopt American programs.⁷² As King argues: "The Conservatives turned to the US model because its stress upon the contractual obligations of the citizen receiving public funds fitted their ideology and policy objectives."⁷³ Norman Ginsburg also noted the importance of this link arguing: "Indeed with the rise of the New Right in Europe...elements of the US welfare tradition are being advocated and adopted by

⁷⁰See: HMSO, *The Government's Expenditure Plans 1980-1981 to 1983-1984*, Cmnd 7841 (London: HMSO, 1980), esp. p. 5 and D. Stockman, *The Triumph of Politics* (London: The Bodley Head, 1986), p. 11.

⁷¹P. Barry, "Working for Their Welfare," 12: 3; see also: M. Prowse, "The Ethics of Workfare," *Financial Times*, 9 November 1987, 23: 7-8; C. Thomas, "US Drive for Welfare Shake-Up Unites Political Enemies," *The Times*, 24 March 1987, 8: 1-5; S. Fleming, "Politics Returns to the Ghetto," Try harder," *Economist*, 29 August 1987, pp. 19-20; "One, Two, Three and Out to Work," *Economist*, 4 July 1987, pp. 30-31; "Putting the Poor to Work," *Economist*, 26 November 1988, pp. 19-21.

⁷²See: D.B Robertson, and J Waltman. "The Politics of Policy Borrowing," Paper presented at the annual meetings of the American Political Science Association, 3-6 September 1992, Chicago, Ill; J. Henig, C. Hamnett and H. Feigenbaum, "The Politics of Privatization: A Comparative Perspective," *Governance*, 1: 4. (1988); pp. 442-448; D. King, *The New Right*; N. Ginsburg, *Divisions of Welfare*; A. Digby, *British Welfare Policy*.

⁷³D. King, "The Establishment of Work-Welfare Programs in the United States and Britain," p. 239.

conservative European governments, most notably by the recent Conservative governments in Britain.”⁷⁴

III. KNOWLEDGE OF OTHER SYSTEMS.

Mr. Gordon Brown ...what information has been accumulated by his Department on the workings of the various United States of America unemployment benefit systems and workfare; and from what sources.

Mr. Kenneth Clark: We continually gather information from a wide variety of sources on all aspects of employment policy in other countries, including the United States. Sources include *published articles and academic research and visits by Ministers and other officials.*⁷⁵

A crucial element in establishing the occurrence of policy transfer is to demonstrate that policy makers in the borrowing system were aware of the originating system's policies and programs; and the policies and programs adopted were in operation prior to their appearance in the borrowing system. In this section I will show that Ministers were examining American and Swedish welfare-to-work systems from the early 1980s. Specifically, I will demonstrate that the Government learned about welfare-to-work programs through: the mass media; studies; Ministerial visits; and international conferences.⁷⁶

⁷⁴Ginsburg, *Divisions of Welfare*,” p. 98. It should also be noted that the ideological similarities between the United States and Britain were strengthened by the “special relationship” between the two countries. During the 1980s this was based upon shared perceptions and friendship between President Reagan and Prime Minister Thatcher which helps explain the attractiveness of American welfare-to-work programs to the Government. In fact, this “special relationship” was the subject of a 1984 Parliamentary debate, with Richard Ryder stating that “the main reason for its strengths is that...the underlying personal relationship between the Prime Minister and the president is based on shared perceptions.” Parliamentary Debates (Hansard) Official Record House of Commons, 3 February 1984, vol. 53, col. 580.

⁷⁵Parliamentary Debates (Hansard) Official Report House of Commons, 9 April 1987, vol. 114. col. 328.

⁷⁶For more information on these mechanisms in the process of policy transfer see Chapter one.

A. Indirect Knowledge:

1. Newspapers

a. American Welfare-To-Work Programs

Government officials often learn about other political systems through daily newspapers. In this regard, officials had ample opportunity to gain a basic understanding of the Reagan Administration's welfare reform legislation. In fact, media coverage of the American welfare system was so extensive it could be argued that the design of welfare-to-work programs was common knowledge among a large portion of the British political elite.⁷⁷

While early newspaper accounts concentrated on the Reagan Administration's overall spending cuts, gradually articles discussing "workfare" began appearing. So, that by 1986 all major national newspapers were discussing American welfare-to-work programs. Of particular interest, the *Times* interviewed Judith Gueron in early 1986, clearly indicating that the results and key people evaluating American welfare-to-work programs were known in Britain.⁷⁸ In fact, in another article the *Times* argued that: "Work needs to be done on a British variant of workfare."⁷⁹

After the initiation of Congressional welfare reform hearings, British newspapers increased their coverage of American welfare-to-work programs.⁸⁰ Moreover, in the later part of 1986 and early 1987 reports began drawing connections between the Government's unemployment programs and America's welfare-to-work programs.⁸¹ For example, *The Guardian's* article, "The Wages of Work Experience" directly linked British unemployment programs to American welfare-to-work programs:

⁷⁷For a good example of the ease at which information was available see: F. Voge, "Mr. Reagan to Seek £19m Cuts in Public Spending," *The Times*, 16 February 1981, 1: 1-2. In fact, the ability of the *Times* to obtain a copy of the draft budget proposal suggests the ease with which the Government would have obtained detailed information on American welfare-to-work programs.

⁷⁸P. Barry, "Working for Their Welfare," *The Times*, 7 April 1986, 12: 2-4.

⁷⁹"A Bad June's Performance," *The Times*, 7 June 1986, 9: 3.

⁸⁰I want to emphasize that on 2 July 1986, the *Financial Times* examined MDRC findings and the Massachusetts Education and Training Choices (ET) program. This is important because (as will be discussed in Chapter 7) the ET program was one of the models used to design the Restart and Employment Training (ET) programs. S. Fleming, "Politics Returns to the Ghetto," 20: 3-8.

⁸¹This is an important shift because it suggests the government was engaging in policy transfer even though neither the government or the media was discussing the development's in these terms. For example see: C. Thomas, "Workfare US Answer to the Dole," *The Times*, 14: 2-4.

The Government is increasingly being accused of moving step by step towards a British version of the US Workfare state where the unemployed have to work for their benefit...For 16 and 17-year-olds, a form of compulsion is openly being planned...For 18 to 25-year-olds a place on the new Job Training Scheme is the main offer...all JTS entrants get the equivalent of their benefit; the first time the principle of working for benefit has been introduced...The Government has said that within a year of reelection all long-term unemployed...will be guaranteed a place on a training scheme. One implication is, that those who refuse such an offer are likely to find their benefit withdrawn.⁸²

In the same vein, another series of articles appeared describing the introduction of job clubs, in mid-1986. By themselves these articles are not important, but as will be demonstrated in the following Chapter, the Government transferred the idea and design of job clubs directly from the United States. As Kenneth Clark, the Minister of Employment revealed: "This idea is based on American experience."⁸³ I mention this here because it provides evidence that the Thatcher Government was examining and implementing elements of the American welfare-to-work programs by the mid-1980s.

b. Swedish Welfare-To-Work Programs

Newspaper accounts of workfare not only dealt with the operation of the American welfare-to-work programs but also the operation of the Swedish welfare system. Just as some commentators advocated the emulation of American welfare-to-work programs, several called on the Government to emulate the Swedish system. For example, on 19 September the *Times* argued: "there are important lessons to be

⁸²"The Wages of Work Experience," *The Guardian*, 5 June 1987, 11: 1-7.

⁸³Department of Employment, "Self-help 'Job clubs' Network for Long-Term Unemployed People," *Employment Gazette*, 93: 10. (1985), p. 379.

learnt from the Swedish experience...particularly...a job-guarantee to the long-term unemployed.”⁸⁴

2. Magazines

Another common source of information on welfare-to-work programs were international magazines. As early as 1986 *Time* magazine began discussing American welfare-to-work programs. For example, on 3 February 1986 there was an article summarizing the key provisions of welfare-to-work programs operating within the United States. Specifically, the article noted:

California is embarking on the most sweeping statewide plan so far...After an evaluation of their skills, GAIN participants are given any necessary training, ranging from remedial math and language classes to high school equivalency courses. Once training is completed the welfare client has three months to find work in a job-search program. A trainee whose search is unsuccessful is enrolled in a one-year pre-employment preparation program to work off the welfare grant in an assigned job, with time off for job hunting.⁸⁵

This passage is important because, as I will demonstrate in the following chapters, every element of the GAIN program was replicated by the Thatcher Government in developing the British welfare-to-work system.⁸⁶

The *Economist* also published a series of articles discussing American welfare-to-work programs.⁸⁷ Several even advocated the introduction of American welfare-to-work programs into Britain. For example, in “Teaching the Poor to be Workers,”

⁸⁴D. Smith, “UK ‘Must Follow Sweden on Jobless,’” *The Times*, 19 September 1986, 22: 7; see also: “A Fair Chance For a Debate on Workfare,” *Guardian*, 22 February 1988, 18: 1-2.

⁸⁵J. V. Lamar Jr., “From Welfare to Workfare: More than 20 States Now Require Healthy Aid Recipients to Earn their Checks,” *Time*, (3 February 1986), pp. 22-24.

⁸⁶See also: J. Ives, “Workfare: Who Benefits?” *New Statesman & Society*, (2 September 1988), pp. 28-29, p. 29.

⁸⁷For example see: “Why Unemployment Doesn’t Work,” *The Economist*, (31 May 1986), p. 26; “Do the Drums Beat for Dukakis?” *The Economist*, (24 January 1987), p. 35.

the *Economist* argued: “Fashionable though such programmes are among radical academics, most real-world schemes in America concentrate on helping the unemployed to look for jobs...Britain can learn several lessons from America’s experiences.”⁸⁸

3. Television

British policy makers were also exposed to American welfare-to-work programs through television documentaries. For example, on 7 April 1986 BBC’s *Panorama* program analyzed American welfare-to-work programs. This suggests policy makers had relatively accurate information on American welfare-to-work programs. However, conclusive evidence was provided during Parliamentary Debates when numerous members referred to the program, including the Prime Minister. For example, during a Lords debate on 30 April 1986, Lord Rodney, Lord Young and Lord Stoddart of Swindon all referred to the *Panorama* program. For instance, Lord Rodney asked:

My Lords, I beg leave to ask the Question standing in my name on the Order Paper...whether they have studied the advantages of the “workfare programme now operating successfully in the United States, and which was featured in the BBC “Panorama” programme on 7th April, and whether they will initiate an early trial in this country along similar lines.⁸⁹

While the Lords debate suggests there was wide spread knowledge of American welfare-to-work program more informative is Prime Minister Thatcher’s remark: “I know how keen my hon. Friend is on that [establishing a British welfare-to-work

⁸⁸ “Teaching the Poor to be Workers,” *The Economist*, (4 July 1987), pp. 55-56, p. 55.

⁸⁹Parliamentary Debates (Hansard) Official Report House of Lords, 30 April 1986, vol. 474, col. 254.

program]. We are looking into the way in which workfare operates in the United States.”⁹⁰

4. *Workfare Reports: Government Commissioned*⁹¹.

a. John Burton.

During the 1980s the Department of Employment and the Department of Social Services commissioned numerous reports to examine the American and Swedish welfare-to-work schemes. During this period reports were also issued by New Right think tanks, such as the Adam Smith Institute and independent groups, such as Unemployment Unit. While stressing different lessons, all the reports increased the knowledge of policy makers in the design, ideological basis, and operation of American and Swedish welfare-to-work programs.

Of the reports commissioned by the Government the two most influential and informative were begun in 1985 by John Burton and John T. Addison.⁹² These reports are significant because they demonstrate that the Government was aware of, and interested in, American and Swedish welfare-to-work programs before the introduction of Job Clubs or Restart. In fact, in the introduction of “Would Workfare Work” John Burton stated:

The purpose of this study is to consider the feasibility of reforming the administration of the UK unemployment placement, training and benefit system along the lines of a thorough-going workfare operation. It draws on experiences in other countries - specifically the USA,

⁹⁰Parliamentary Debates (Hansard) Official Report House of Commons, 5 June 1986, vol. 98, col. 1083.

⁹¹I want to emphasize that while I have focused on John Burton and John Addison’s studies they were not the only published reports commissioned by the Government. For example, Chapter seven of the Social Security Advisory Committee’s third research paper examines welfare-to-work programmes in the United States and Sweden. See: L. Morris and T. Hewelby, Social Security Provisions for the Unemployed.

⁹²It must be noted that the Departments commissioned several reports but did not release them to the public see: J. Burton, Would Workfare Work: A Feasibility Study of a Workfare System to Replace Long-Term Unemployment in the UK; John T. Addison, “A Synopsis of “Workfare: The United States Experience.” in: J. Burton, Would Workfare Work (Buckingham: Employment Research Center, University of Buckingham, 1987).

Sweden...and those elements of the present structure of administration in the UK that would require modification or expansion if a workfare system were to be instituted.⁹³

It is significant that over the course of the next six years the Government implemented the vast majority of the requirements John Burton said were necessary for the establishment of a British welfare-to-work system.⁹⁴

It is also worth emphasizing that John Burton's report was highly publicized within the national daily newspapers. For example, on 24 April 1987 the *Financial Times* reported:

There is no basic reason why Britain could not introduce US-style workfare schemes, under which the unemployed have to accept public employment in order to retain benefits, says a report published yesterday. The study by the Employment Research Center at the University of Buckingham, was commissioned two years ago by the Department of Employment.⁹⁵

This indicates that even policy makers not provided the report had access to its key findings and recommendations.

b. John Addison

In conjunction with John Burton's report, John Addison compiled a detailed report examining the state welfare-to-work programs initiated after the 1981 OBRA. It is important to emphasize that John Addison's study relied upon the MDRC studies

⁹³J. Burton, *Would Workfare Work*, pp. 7.

⁹⁴For a complete list of changes Burton believed necessary for the introduction of a British welfare-to-work system see: J. Burton, *Would Workfare Work*, p. 54-55.

⁹⁵A. Pike, "Challenge of the Workfare State," *Financial Times*, 24 April 1987, 9: 4; see also. A. Pike "Clampdown on Benefits for Young Planned," *Financial Times*, 24 April 1987, 48:1 and I. Owne, "Young Advises Caution on Adoption of 'Workfare'", *Financial Times*, 1 May 1987, 12: 4-5. See also: J. Burton, "The Case for the Workfare State," *The Times*, 23 April 1987, 14: 3-6.

of San Diego, Arkansas and West Virginia.⁹⁶ I stress this because it links the MDRC evaluations to the Government; specifically the Department of Employment. Moreover, John Addison's study proves that the Government had an in-depth knowledge of American welfare-to-work programs.⁹⁷

5. *Workfare Reports/ Outside The Government*

a. Louis Burghes

Louis Burghes report, "Made in the USA: A Review of Workfare: the Compulsory Work-for-Benefits Regime," provides an extensive history of the development of American welfare-to-work programs beginning with the introduction of the WIN program in 1967. More importantly, "Made in the USA" examines the various welfare-to-work programs operating throughout the US. Knowing the SSAC used this report indicates that, besides their own studies, the Government had access and knowledge of at least one detailed study which reviewed State welfare-to-work programs. It is also important to emphasize that "Made in the USA" relied on MDRC research, particularly the findings presented in "Work Initiatives for Welfare Receipts," Judith Gueron's 1986 synopsis of MDRC interim results.⁹⁸

b. Patrick Minford

In addition to Louis Burghes studies, Patrick Minford's second edition of *Unemployment: Causes and Cure*, called on the Government to develop a British welfare-to-work system.⁹⁹ This is an important study because it advocated the adoption of a British welfare-to-work program in the early 1980s and its conclusions were summarized in John Burton's report to the Department of Employment.

⁹⁶As discussed in previous Chapters, the MDRC compiled reports on eight state programs, three had received their final reports by the time the Department of Employment commissioned the University of Buckingham studies. All the MDRC study states had received their initial reports and all eight had received their final report before the introduction of the Restart Programme.

⁹⁷John T. Addison, "A Synopsis of "Workfare."

⁹⁸I note this for it provides support to the contention that the government used MDRC for "Work Initiatives for Welfare Recipients," summarized MDRC's findings but also cites the key MDRC reports

⁹⁹P. Minford, et.al, *Unemployment: Causes and Cure*, 2nd ed. (Oxford: Blackwell, 1985), p. 47-49.

Moreover, as one of the right wing academics advising the Thatcher Government his recommendations would have held resonance. It is worth citing two of Patrick Minford's proposals because they were integrated into the Government's welfare-to-work system:

Young people...should be subject to tougher conditions for benefit receipt so that the choice facing unemployed school-leavers is between a place on the Youth Training Scheme or unsubsidized idleness...workfare proposals...require the re-integration of MSC job centers...and unemployment benefit offices.¹⁰⁰

c. MP Ralph Howell's Report

In 1985 Conservative MP Ralph Howell published *Why Unemployment*.¹⁰¹ It is insightful to examine Ralph Howell's proposals because they were based on the American and Swedish work-to-welfare programs. What is more important, they were released prior to the implementation of most welfare-to-work programs in the United Kingdom and he consistently advocated their adoption from the backbench:¹⁰²

(1) Every able-bodied adult would have a statutory right to work on workfare...after 6 months of unemployment but failure "to take advantage of the opportunities offered would result in total disqualification for benefit."

(2) Work or compulsory training would be required for unemployed youngsters.

(3) The administration of benefits and placements...should be re-integrated under the aegis of one government.¹⁰³

¹⁰⁰J. Burton, *Would Workfare Work*, pp. 29.

¹⁰¹R. Howell, *Why Unemployment* (London: Adam Smith Institute, 1985). This report was updated and re-released as: *Why not Work? A Radical Solution to Unemployment* (London: Adam Smith Institute, 1991).

¹⁰²I focus on *Why Unemployment* because it was published prior to the implementation of the welfare-to-work programs while *Why not Work?*, was published after 1990.

¹⁰³J. Burton, *Would Workfare Work*, pp. 30.

I will show the similarity between these proposals and the welfare-to-work system implemented by the Thatcher Government in the following chapters.

B. Knowledge: Direct

1. Parliamentary: Statements and Questions

a. General Information

While I have indicated that there was widespread information available regarding American and Swedish welfare-to-work systems, I have not demonstrated a link between welfare-to-work information and British policy makers. This is a crucial link for illustrating the process of policy transfer. As such, I need to demonstrate first that policy makers were aware of the information on welfare-to-work programs and that they drew lessons from this information in developing the British welfare-to-work system.

In 1982 Parliamentary Under-Secretary of State for the Department of Employment, David Waddington, offered a preliminary indication that the Government was aware of the American welfare-to-work programs stating: “the Government constantly monitors conditions in other countries and are always ready to learn lessons from their experience in trying to combat unemployment.”¹⁰⁴

Again in 1984 Under-Secretary of State for Foreign and Commonwealth Affairs, Raymond Whitney stated: “The same is true of the excellent personal relationship at heads of Government level which extends the whole way down so that not a day passes without governmental contact at quite senior official level.”¹⁰⁵ This is a crucial statement for it indicates that, even if Government policy makers were not studying welfare-to-work programs directly, they were in ‘daily contact’ with officials in the US who were implementing and studying these programs suggesting British officials knew of American welfare-to-work programs and continually learned about their development.

¹⁰⁴Parliamentary Debates (Hansard) Official Report House of Commons, 23 November 1982, vol. 32, col. 699

¹⁰⁵Parliamentary Debates (Hansard) Official Report House of Commons, 3 February 1984, vol. 53, col. 582.

b. Specific Information

While John Burton's report was not officially published until 1987, there are clear indications that the Government had prior in-depth knowledge of both American and Swedish welfare-to-work programs. For example, a Parliamentary response by Ian Lang indicates that Ministers had an extensive knowledge of American welfare-to-work programs by early 1986:

Mr. Lang: There is a great variety of schemes in operation in the United States of American which come under the general heading of "workfare". They have in common the aim of enabling recipients of welfare benefits to do useful work in return for their benefits. But the schemes vary considerably in their target groups, the way they are administered, the nature and location of the work performed, and the amount of training and support services provided.¹⁰⁶

Ian Lang continues: "The Department will continue to study the American experience of workfare schemes to see whether they could have any application in this country." This citation clearly indicates that the Government was engaging in policy transfer in the development of the British welfare-to-work system prior to 1986. Moreover, two days later, during Prime Minister's Question Time, an exchange between Ralph Howell and Margaret Thatcher illustrates the Prime Minister was aware of American welfare-to-work programs:

Mr. Ralph Howell: asked the Prime Minister if she will give urgent consideration to initiating pilot workfare schemes similar to those operation in the United States of America in dissimilar areas of Britain.

¹⁰⁶Parliamentary Debates (Hansard) Official Report House of Commons, 15 April 1986, vol. 95, col. 358.

The Prime Minister: We continue to consider all ways, including the American experience, in which we can help the unemployed and tackle unemployment.¹⁰⁷

A very enlightening exchange occurred during the 1986 debate on the “Availability for Work (Test)” between Ralph Howell and Kenneth Clark, Paymaster General and Minister for Employment:

Mr. Ralph Howell: I thank my right hon. and learned Friend for his statement...I urge him to progress further and to consider the introduction of a workfare system. That system has been very successful in many parts of the United States.

Mr. Clark: As I understand it, workfare of the kind advocated by my hon. Friend is practiced on any scale only in the state of West Virginia. I reserve judgment about whether it is successful there.¹⁰⁸

I cite this exchange because it demonstrates that Kenneth Clark had extensive knowledge of the design and operation of American welfare-to-work programs by the mid-1980s. It also implies that the Government had access to and knowledge of MDRC studies for they were the only organization outside the Reagan Administration and Congress analyzing welfare-to-work programs in the form indicated in Mr. Clark’s answer (an analysis of the West Virginia welfare-to-work program). Finally, Mr. Clark’s answer indicates that the Government was aware that few welfare-to-work programs relied solely on work-for-benefit provisions as they later argued.¹⁰⁹

¹⁰⁷Parliamentary Debates (Hansard) Official Report House of Commons, 17 April 1986, vol. 95, col. 456.

¹⁰⁸Parliamentary Debates (Hansard) Official Report House of Commons, 28 October 1986, vol. 103, col. 179; see also: Parliamentary Debates (Hansard) Official Report House of Commons, 18 November 1986, vol. 105, col. 423.

¹⁰⁹For another informative exchange between Neil Kinnock and the Prime Minister see: Parliamentary Debates (Hansard) Official Report House of Commons, 23 April 1987, vol. 114, col. 787. For questions on both John Burton’s and John Addison’s studies see: Parliamentary Debates (Hansard) Official Report House of Commons, 5 May 1987, vol. 115, col. 339; Parliamentary Debates (Hansard) Official Report House of Commons, 1 April 1987, vol. 113, col. 542; Parliamentary Debates (Hansard) Official Report House of Commons, 1 December 1986, vol. 106, col. 424;

2. Direct Contact

a. Conferences

Contact between Government officials and 'experts' designing and operating American welfare-to-work programs provides further evidence of Government knowledge and interest in these programs. For example, at conferences Government officials came into direct contact with American academics and officials designing and implementing welfare-to-work programs. In 1987 the Center for Policy Studies held a conference attended by academics and officials, devoted to the examination of welfare-to-work programs. The fact this conference brought together Government officials and welfare-to-work experts, such as John Burton and Richard Nathan, and was organized by one of Mrs. Thatcher's former Policy Unit Advisors, David Willetts, implies that the Government was interested in developing a British welfare-to-work system.

One American academic at this conference worth noting was Professor Richard P Nathan. I note Professor Nathans attendance because he was the Chairman of the MDRC during their welfare-to-work studies. Moreover, he was the Assistant Director of the OMB in the late 1960 and early 1970s. So, Professor Nathan's contact with government officials clearly indicates they had an interest in US welfare-to-work programs and direct knowledge of them.

Another example of a conference attended by both American and British officials occurred in 1986 in Washington DC. I emphasize this conference because Michael Dukakis, Governor of Massachusetts and key designer of the Massachusetts ET program, was one of the key speakers.¹¹⁰ As with the meetings with Professor Nathan a year late, this meeting clearly indicates that Government officials were interested in American welfare-to-work programs and had personal contact with the key people examining, designing and implementing them.¹¹¹

¹¹⁰For more information see: S. Fleming, "Politics Returns to the Ghetto," 20: 3.

¹¹¹For further conferences and meetings see: J. Ives, "Workfare: who benefits?"; R. Faux, "Lack of Literacy Holds Back Long-Term Jobless," *The Times*, 24 June 1987, 5: 1-4; "Workfare and Unemployment Symposium" *Economic Affairs*, (April/May, 1988), pp. 5-24.

b. Visits

The Government's interest in American and Swedish welfare-to-work programs was not limited to commissioning of reports, conference attendance and consultations with the American academics and officials.¹¹² Ministers and civil servants often conducted fact finding missions to the US and Sweden. In fact, between the formation of the Thatcher Government in 1979 and January 1984 Department of Employment Ministers made 70 visits to examine employment programs.¹¹³ Then between October 1984 and November 1987, Department of Employment Ministers made 6 official visits to America, specifically to examine welfare-to-work programs.¹¹⁴

Moreover, Minister of State for Employment, Peter Morrison, traveled to the United States in October 1983, specifically to "see and discuss United States schemes for the unemployed."¹¹⁵ Less than a year later the Employment Select Committee traveled to Copenhagen to examine Danish and Swedish welfare-to-work programs.¹¹⁶

In November 1985 Secretary of State for Employment, Lord Young, traveled to the United States to examine "programmes on inner cities problems," including

¹¹²While not discussed several of the key New Right academics in the development of welfare-to-work programs within the United States were highly influential on British policy makers. Chief among them were Charles Murray, who actually wrote a book on the "British" Underclass and Lawrence Mead. Both of their work was highly cited by British Academics and politicians. See: D. King, *Actively Seeking Work?* (Chicago: University of Chicago Press, 1995); A. Digby, *British Welfare Policy*; R. Plant "Welfare and the Enterprise Society," in T. Wilson and D. Wilson, *The State and Social Welfare*, pp. 73-88, (esp. 86 which directly links the work of Charles Murray and 'Larry' Mead to the development of the British welfare-to-work system); J. Brown, "Which Way for Family Policy: Choices for the 1990s," in N. Manning and R. Page (eds.) *Social Policy Review* 4 (London: Social Policy Association, 1992), pp. 154-174.

¹¹³Parliamentary Debates (Hansard) Official Report House of Commons, 5 April 1984, vol. 57. col. 623; see also: Parliamentary Debates (Hansard) Official Report House of Commons, 26 January 1984, vol. 52. col. 660; Parliamentary Debates (Hansard) Official Report House of Commons, 30 January 1984, vol. 53 col. 381-382.

¹¹⁴Parliamentary Debates (Hansard) Official Report House of Commons, 28 January 1988, vol. 126. col. 348.

¹¹⁵Parliamentary Debates (Hansard) Official Report House of Commons, 9 April 1987, vol. 114. col. 382.

¹¹⁶Parliamentary Debates (Hansard) Official Report House of Commons, 23 July 1984, vol. 64. col. 587.

welfare-to-work programs and the Boston Compact.¹¹⁷ This same year the MSC visited the United States to examine welfare-to-work programs.¹¹⁸

These visits continued into 1986 when Ian Lang visited Massachusetts. It is necessary to emphasize this visit because it provided Lang with first hand knowledge of ET. This is important because, as I will demonstrate, the Massachusetts program became one of the key models used by the Government to develop: Compacts; Restart; and the British Employment Training Scheme.¹¹⁹

After the introduction of the initial welfare-to-work programs comprising the British welfare-to-work system, Secretary of State for Employment, Norman Fowler, commissioned several studies of the operation of American and Swedish welfare-to-work programs. Moreover, just after Norman Fowler released *Training for Employment*, he visited Massachusetts and California to examine the operation of ET and GAIN before he finalized the details of the British ET program and introduced the TEC program.¹²⁰

On top of these visits to the United States, a team from the Department of Employment actually spent a year in Sweden learning about their welfare-to-work

¹¹⁷Parliamentary Debates (Hansard) Official Report House of Commons, 9 April 1987, vol. 114. col. 382.

¹¹⁸For more information see: Parliamentary Debates (Hansard) Official Report House of Commons, 6 April 1987, vol. 114, col. 40.

¹¹⁹Parliamentary Debates (Hansard) Official Report House of Commons, 9 April 1987, vol. 114. col. 381-382. Before continuing, it is important emphasize that the ministerial visits I have discussed occurred before the Government developed the bulk of the British welfare-to work system. This demonstrates that the Government was continually gathering information on the American and Swedish welfare-to-work programs before the implementation of full-scale British programs.

¹²⁰It is worth recalling that Norman Fowler just happened to name the ET program just days after he visited Massachusetts to examine there ET program. It should also be noted that one of the key people in charge of implementing the Massachusetts ET program, Cay Stratton, was hired by Norman Fowler as a personal advisor to develop the ET and TEC programs. Finally, I want to stress that, while I have used Department of Employment data, Kenneth Clark admitted figures were incomplete. I emphasize this because any ministerial or official visits without the accompaniment of a civil servant would not be reported. This suggests that there was considerably more contact occurring than the official statistics indicate. For More information see: Parliamentary Debates (Hansard) Official Report House of Commons, 10 February 1988, vol. 127, col. 419; Parliamentary Debates (Hansard) Official Report House of Commons, 16 February 1988, vol. 127, col. 827; C. Leadbeater and P. Bissett, "Training Plan Not Compulsory for Unemployed, says Fowler," *Financial Times*, 11: 6-9; D. Felton "Fowler Looks at Compulsory Training for the Unemployed," *Independent*, 19: 1-3; D. King, "The Conservatives and Training Policy 1979-1992," *Political Studies*, Vol. XLI, 1993, pp. 214-235, p. 228. (It must be noted that King over emphasizes the importance of both Fowler's visit to Boston and ET's influence on the overall development of British welfare-to-work programs).

program prior to the withdrawal of benefit for 16 and 17 year-olds. This is significant because it reflects a key aspect of the Swedish welfare-to-work system.

Finally, it is important to stress that while I have examined the Department of Employment, it was only one of the Ministries examining American welfare-to-work programs. For instance, it is widely acknowledged that Secretary of State for Social Services John Moore, was influenced by American welfare-to-work programs. In fact, his interest in the ideological arguments associated with the American welfare-to-work debates lead him to travel to the United States. As Anne Digby reported:

The extent of the shift to ‘a different vision’ of welfare from that in the classic welfare state was made clear in a keynote speech in 1987 by the Secretary of State for the Social Services, John Moore. This was given shortly after his return from a visit to the United States of American where he had studied libertarian views of welfare and looked at workfare.¹²¹

CONCLUSION

Policy transfer requires policy makers to perceive a need to transfer lessons from other times or places. In this chapter I demonstrated that British policy makers were motivated to engage in policy transfer because of public dissatisfaction with rising unemployment. As in the United States, the British Government was directed toward policy transfer as a result of elections. Unlike the US, where elections brought new ideas and actors into the policy making process, the 1987 General election forced the Government to address unemployment. The pressure to engage in policy transfer was heightened by the realization that Britain was falling behind their major economic competitors in the education and training provisions of the labor force. Finally, the Government’s dissatisfaction with the existing social security

¹²¹ A. Digby, British Welfare Policy p. 109; see also D. King, Actively Seeking Work, p. 179-180

system and the initial failures of their programs to reduce the PSBR drove the process of policy transfer.¹²²

The US and Sweden were chosen as models for the development of the British welfare-to-work system because they provided a solution which was propagated within the media and by pressure groups and right wing think tanks. Additionally, structures of the US and Swedish welfare-to-work systems were compatible with the design and ideology underlying the British unemployment system. Finally, I demonstrated that the Government had an interest in American and Swedish welfare-to-work systems and ample opportunities to learn about their structure while developing the British welfare-to-work system between 1985 and 1990.

In the following Chapter I am going to show that the Government transferred the rhetoric and ideology associated with welfare-to-work programs. They engaged in this transfer to alter gradually the perception of the unemployment system to allow the introduction of the actual welfare-to-work programs culminating in the actively-seeking work regulations of the Social Security Act 1989.

¹²²This is associated with elections for the 1979 election which introduced a Government committed to changing the social security system into office.

Chapter Seven

Welfare-To-Work Comes To Britain

Ideas, Attitudes, Justifications

And Initial Programs

INTRODUCTION

In the preceding chapter I demonstrated why British policy makers were interested in policy transfer and why they looked to the US and Sweden. I concluded by demonstrating that policy makers were aware of, and interested in, American and Swedish welfare-to-work programs before the introduction of British welfare-to-work programs. In the following chapters I will show that, as American welfare-to-work programs advanced, policy makers adapted these changes into the British welfare-to-work system. However, in this chapter I am going to examine the transfer of the ideas, attitudes and goals inherent in welfare-to-work programs from the US to Britain. It was important to transfer the American attitudes before and during the development of the British welfare-to-work system in order to overcome the commitment to universal entitlement underlying the existing social security philosophy. Additionally, I will demonstrate how the underlying goals of the American welfare-to-work programs were transferred to the British system. Finally, I will conclude by examining the earliest programs to be developed in the British welfare-to-work system. Throughout this Chapter I will also demonstrate how the ideas inherent in the American welfare-to-work system were merged with indigenous policies to develop the unique British welfare-to-work system. I will continue this examination in the following chapter illustrating how these initial programs were developed into a full scale welfare-to-work program with the introduction of the: Employment Bill 1988; provisions in the Social Security Act 1988; the TEC and LEC system: the ET program; and various provisions in the Social Security Act 1989.

I. WHAT TRANSFERRED? ATTITUDES AND IDEAS

Policy makers engage in attitude and concept transfer in addition to policy and program transfer. In developing the British welfare-to-work system the ideological similarities between the US and Britain facilitated the Government's transfer of the attitudes and concepts underpinning American welfare-to-work programs. In fact, without this transfer it is debatable whether the Government could have developed the British welfare-to-work system, given the traditional commitment to universal

welfare rights. As Richard Nathan advised: “the real trick is to change the welfare system and this...requires changes in attitudes.”¹ Moreover, Louis Burghes reported:

British conservatives envy the anti-welfare political culture in the USA which has allowed Reagan’s Administration to push for a further weakening of welfare...it seems clearer than ever before that a shift in political culture is that target that British conservatives are aiming at.²

Ultimately the introduction of American ideas and attitudes was essential to build the support necessary to introduce the 1988 and 1989 reforms. Moreover, this was a gradual process developed in conjunction with the introduction of American welfare-to-work programs into the British social security system. As Anne Digby described: “until the legislation of 1987-8, rhetoric was more striking than reform in welfare. During this interim period a shift in popular values which would support such legislative change gradually became apparent.”³

A. Blame The Victim

1. Its Introduction

Emulating the rhetoric associated with American welfare-to-work programs, the Government revived the traditional attitude of blaming unemployed individuals for their situation. As discussed in Chapter three, one of the primary justifications used by conservatives in the US for the implementation of welfare-to-work programs was the necessity of removing ‘cheats’ from the welfare rolls. The image portrayed by the Reagan Administration was of women arriving at welfare offices in Cadilacs and mink coats. The British Government revived this imagery following its successful use in

¹R. Nathan, “Workfare in Britain and America: A Personal View,” *Economic Affairs*, April/May 1988. pp. 16-17. p. 17. See also: D. King, “The Establishment of Work-Welfare Programs in the United States and Britain,” in S. Steino, K. Thelen and F. Longstreth (eds.), *Structuring Politics* (Cambridge: Cambridge University Press, 1992), p. 219.

²L. Burghes, *Made in the USA* (London: Unemployment Unit, 1987), p. 2.

³A. Digby, *British Welfare Policy* (London: Faber and Faber, 1989), p. 4-5; See also: “The Wages of Work Experience,” *The Guardian*, 5 June 1987, 11: 1.

America.⁴ So, by 1987 the Government was actively portraying unemployed individuals as being responsible for their situation. As John Moore exclaimed: “it was not the case that appropriate jobs were not available but: “claimants are simply not looking for work.”⁵

In fact, Opposition members continuously attacked the Government for such portrayals. For example, while debating the 1988 Social Security Bill, Robin Cook argued: “As the debate has proved, the reason why the Government and their backbenchers are proposing the clause is it *forms part of their general strategy of blaming the victim for his unemployment.*”⁶ Alice Mahon reiterated these sentiments during a debate on unemployment measures:

The Government are attempting to find a scapegoat...At the moment, the unemployed are to be the scapegoats. They are to be despised by the rest of society; that is the aim of the order. I have listened carefully to some of the language that has been used this afternoon. Word such as “shiftless”, “workshy” or “scroungers” have been said deliberately. I have not doubt that those comics that support the Government will use such words in their banner headlines.⁷

John Prescott’s argument is particularly important because he drew a direct connection between the Government’s portrayal of the unemployed and the arguments being used by conservatives in the United States: “We are witnessing a

⁴See especially: A. Digby, British Welfare Policy; P. Golding and S. Middleton, Images of Welfare (Oxford: Martin Robertson, 1982); Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 161. I want to stress that this is an example of inspiration mixed with transfer from the past and emulation.

⁵Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 716. See also: Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 723-724; Parliamentary Debates (Hansard) Official Record House of Commons, 13 January 1988, vol. 125; Parliamentary Debates (Hansard) Official Record House of Commons, 1 March 1988, vol. 128.

⁶Parliamentary Debates (Hansard) Official Record House of Commons, 13 January 1988, vol. 125, col. 332. Emphasis added. See also: Parliamentary Debates (Hansard) Official Record House of Commons, 1 March 1988, vol. 128, col. 843; Parliamentary Debates (Hansard) Official Record House of Commons, 26 April 1989, vol. 151; Parliamentary Debates (Hansard) Official Record House of Commons, 5 July 1989, vol. 156.

⁷Parliamentary Debates (Hansard) Official Record House of Commons, 1 March 1988, vol. 128, col. 862.

radical change in policy. We are already moving towards the American philosophy of “if you are unemployed, it is your own fault.”⁸

2. Its Use

After re-establishing the philosophy of blaming unemployed individuals for their situation the Government used it to justify the development of the Employment Training Program and the actively seeking work legislation. Specifically, Cm 316 argues for the introduction of the Employment Training Scheme by arguing: “there is evidence...that significant numbers of benefit claimants are not genuinely available for work.”⁹

Cm 540 continues this theme to justify the development of actively seeking work regulations introduced in the Social Security Act 1989:

there is evidence that a significant minority of benefit claimants are not actively looking for work. Some are claiming benefit fraudulently while working at least part-time in the black economy. Others seem to have grown accustomed to living on benefit...The Government have accordingly decided that...the law should be amended to require those who claim unemployment benefit to take more positive steps to find employment.¹⁰

B. Dependence

In the US academics and politicians of all persuasions argued that, once individuals entered the welfare system, they became dependent upon it. This created a permanent ‘underclass’ of long-term welfare recipients. The only way to alter this

⁸“Jobless Benefits Attacked,” *Financial Times*, 2 April 1987, 10: 8.

⁹White Paper, *Training for Employment*, Cm 316 (London: HMSO, February 1988), p. 4. I want to emphasize that Cm 316 also introduced the concept of actively seeking work. Moreover it based the need to introduce this legislation on the need to remove the individuals not ‘genuinely available for work’ from the unemployment register. See chapter seven, esp. p. 33.

¹⁰White Paper, *Employment for the 1990s*, Cm 540, p. 55 and 58.

situation was a dramatic alteration of the welfare system.¹¹ Indeed, it is worth recalling that it was President Reagan 1986 declaration that it was time for America to ‘escape the spider’s web of dependency,’ which led to the 1988 FSA.

This theme was energetically adopted by the Thatcher Government once its effectiveness in the US became apparent. Indeed, shortly after John Moore returned from the US he began propagating the dependency theory.¹² As King argues:

Imitating his American ideological counterparts, Moore emphasized what he argued to be the ineluctable tendency of the state benefit system to induce dependency...This language is similar to that used by conservative critics of welfare programs in the United States...Moore wished to change the climate of opinion, to reject dependence on government assistance.¹³

By 1990 the *Economist* explicitly linked the Government’s use of dependency theory to the US: “The mission of the late 1980s, announced by Mr. John Moore after the 1987 election, has been to reduce dependency--*a concept largely imported from America.*”¹⁴

C. Mutual Obligations

As with dependency arguments, the Thatcher Government began discussing the necessity of ‘obligations’ during the later part of the 1980s. This is significant, because, as demonstrated in chapters three and four, a few years earlier this concept

¹¹The primary author discussing the ‘underclass’ was Charles Murray. However even liberal academics, such as William Julius Wilson, adopted it in calling for welfare reform. The universal use of dependency was also reflected by politicians from liberal Senator Moynihan to conservative President Reagan.

¹²Since it is well established within the literature that John Moore borrowed dependency theory from the United States I will spend little time examining, however it is worth noting that none of the authors discussing this link place it into a policy transfer framework. See: C. Walker, *Managing Poverty*; (London: Routledge, 1993); A. Digby, *British Welfare Policy*; D. King, *Actively Seeking Work* (Chicago: University of Chicago Press, 1995).

¹³D. King, *Actively Seeking Work*, p. 179-180. Notice, King implies John Moore borrowed from the United States but relates it to the influence of the New Right in both countries.

¹⁴“The State of Welfare,” *Economist*, 24 February 1990, pp. 25-26. p. 26.

became a central aspect of the American welfare reform debates.¹⁵ In fact, Irene Lurie and Mary Sanger observe, the 1988 FSA: “has redefined the social contract. The state has obligations to meet the needs of poor families, but in exchange...the dependent poor have an obligation to make efforts on their own behalf.”¹⁶

The Thatcher Government first used the language of mutual obligations in 1986 when Lord Young argued:

Lord Young of Graffham: My Lords, this is a matter which must be handled with care. Nonetheless, I am aware of the views of Lord Beveridge. He said in the Beveridge Report: “The co-relative of the state’s undertaking to ensure adequate benefit...is enforcement of the citizen’s obligation to seek and accept all reasonable opportunities of work, to co-operate in measures designed to save him from habituation to idleness and to take all proper measures to be well.”¹⁷

While it was not a Government strategy at this point to stress mutual obligations, it is important to stress Lord Young’s statement because he uses the Beveridge Report to defend the development of British workfare, rather than using the American arguments, which were just emerging in the media and academic studies. Moreover, this citation shows how in the later 1980s American attitudes were merged with indigenous arguments to defend the development of the British

¹⁵It has been well established that Government officials were influenced by the United States, but no one places this within a policy transfer framework. For example King relates the emergence of mutual obligations to the influence of the New Right not to the deliberate borrowing of the ideas after their successful use in the United States. See: C. Walker, Managing Poverty; A. Digby, British Welfare Policy; D. King, Actively Seeking Work; D. King and H. Ward, “Working for Benefits: Rational Choice and the Rise of Work-Welfare Programmes,” Political Studies, vol. 40: 3 (1992), pp. 479-497.

¹⁶I. Lurie and M. B. Sanger, “The Family Support Act: Defining the Social Contract in New York,” Social Service Review, (March 1991), pp. 43-67, p. 44. The language of contract and obligation was highly featured in both Congressional hearings and State programs prior to the passage of the 1988 FSA. Recall, the NGA report began: “The principal responsibility of government in the welfare contract is to provide education, job training and/or job placement...The major obligation of the individual...it to prepare and seek, accept, and retain a job.” NGA, Job-Oriented Welfare Reform (Washington DC: NGA, February 1987), p. 1-2.

¹⁷Parliamentary Debates (Hansard) Official Record House of Lords, 30 April 1986, vol. 474, col. 254. Note the similarity between this and the NGAs opening recommendations. See also: J. Brown, Victims or Villains? (New York: Joseph Roundtree, 1990), p. 25-26; “Teaching the Poor to be Workers,” Economist, (4 July, 1987), pp. 55-56.

welfare-to-work system. This is important because it demonstrates how ideas transferred from the past can be merged with ideas transferred from other systems to justify the development of entirely new programs.

Beginning with the White Paper *Training for Employment*, the Government began using American rhetoric to develop its obligation to help unemployed people in return for their 'efforts' to find and retain employment.¹⁸ Subsequently, during the passage of the 1988 Social Security Bill, Nicholas Scott, Minister for Social Security, perfected the rhetoric of mutual obligations as used in the American context:

The principle at the heart of the clause is that the State rightly accepts a duty to provide benefit...and to provide advice, guidance and encouragement for the unemployed. While it accepts the responsibility...The State is entitled in return to expect individuals to take the trouble actively to seek work...The Government have accepted the responsibility to be active and they have the right to expect claimants to be active.¹⁹

D. Contract

In Chapter three I illustrated that the idea that there must be a contract between the individual and the state was a core element of the 1988 FSA. Indeed, this was so central to the design of welfare-to-work programs it was written into Section 201 of the Act. Shortly after the rhetoric of a contract emerged as a central component of American welfare-to-work programs it was adopted by the Thatcher Government and used within the British context for the first time. For example, Nicholas Scott used the language of contracts to describe the relationship between the individuals and the state:

¹⁸White Paper, *Training for Employment*, Cm 316.

¹⁹Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 164.

There should be a state service providing advice about vacancies and guidance to people on how they can get back to work. But on the *other side of that contract* - which is that people should be prepared to take active steps so find their way back into employment - should not be ignored²⁰

Interestingly, Opposition spokesmen adopted the language of obligations and contracts to oppose the development of the British welfare-to-work system. For example, Frank Field stated: “The Bill changes the duties and responsibilities of the individual to seek work. It does nothing about the duties and responsibilities of the state to ensure that work is available for the individual.” Mr. Field continued: “I wish to go on record as saying...that unemployed people have a duty to use everything in their power to find work...However...the other side of the contract is to say, ‘Yes, the state’s responsibility must match that of the individual.’”²¹

It is important to re-emphasize that the contractual language did not emerge in the British welfare reform debates until after its successful use and adoption in American welfare reform debates.

E. Self Respect and Societal Integration

In the US supporters of welfare reform saw it as a means of re-establishing the self-respect of welfare recipients. This is clear in Douglas Bersharov’s testimony before the House:

What is most important is their isolation from American society, their inability to acquire the skills and attitudes essential for functioning successfully in American life, their weakened morale and lack of self-

²⁰Parliamentary Debates (Hansard) Official Record House of Commons, 26 April 1989, vol. 151, col. 997.

²¹Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 733. It is important to emphasize that the idea of a contract and obligations because it is a good example of how political opponents can transfer the lesson to forward different ideas during political conflict. For more information see Chapter one.

esteem. Without these, their chances of attaining the rewards of self-reliance that constitute the birthright of all Americans is slim²²

Following the successful use of these arguments in the US British policy makers used them in the British welfare reform debate.²³ For example, during one of the Parliamentary debates on the 1989 Social Security Bill, Nicholas Scott combined the philosophies of dependence, obligation and self respect to justify the development of British welfare-to-work programs:

the State rightly accepts a duty to provide benefit...The State is entitled in return to expect individual to take the trouble actively to seek work. This is not...some monstrous imposition on the unemployed. It is a genuine effort to provide a path from the misery of unemployment towards self-respect and the ability of individuals to provide for themselves and their families...The training initiatives introduced...have shown our commitment to helping people to fit themselves for today's labour market.²⁴

Of more importance in illustrating the process of policy transfer, John Moore linked the rhetoric of self-respect to societal benefit in a way which directly reflected the US debate:

Each and every one of those vacancies is an opportunity for and unemployed person to gain the self-respect and independence that comes from supporting themselves and their family by their own

²²US Government, "Welfare Reform," Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation of the Committee on Ways and Means, US House of Representatives, 100th Congress, 1st Session, (Washington, D.C.: Government Printing Office, 1987). See also: US Government, "Welfare: Reform or Replacement," Hearings Before the Subcommittee on Social Security and Family Policy, US Senate, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, February 23, 1987), p.339-340.

²³Again, it is worth noting that the development of these arguments occurred after they became a central part of the American welfare reform debate. Given the timing and prominence of the US debate, it is hard to argue that they did not at least inspire British policy makers.

²⁴Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 164.

efforts. It is clearly, therefore, the duty of the Government to help them to realise that potential, not only for their own sake but for the good of the country as a whole.²⁵

F. Business Ethos

Throughout the 1980s the Thatcher Government attempted to foster an ‘enterprise culture’ based upon their perceptions of the nature of the American business sector. While I will return to this in the final chapter; here, I will let the Prime Minister speak for her self:

I believe, and the Americans believe, that the fundamental strength of the American economy is the underlying enterprise culture of the American people...It is, therefore, vital to secure in this country that same enterprise culture.²⁶

II. WHAT TRANSFERRED? PROGRAM GOALS

The transfer of goals is closely related to the transfer of attitudes. In developing the British welfare-to-work system, policy makers transferred the attitudes, programs and goals underlying the American welfare-to-work system. Of particular note was the goal of linking the receipt of benefits on the willingness to perform some activity.²⁷

A. Willingness To Perform

The underlying assumption of American welfare-to-work programs was the belief that, in return for AFDC benefits, recipients should engage in some activity.

²⁵Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 714.

²⁶Parliamentary Debates (Hansard) Official Record House of Commons, 26 February 1985, vol. 74, col. 177 and 180.

²⁷While this is classified as a “goal” it could also be viewed as an ideological transfer.

This goal was transferred to the United Kingdom. In fact, the Government had to transfer this goal because it forms the core principle of welfare-to-work programs. As I will demonstrate next chapter the most direct manifestation of this goal is the actively seeking work rules of the Social Security Act.

However it should be stressed here that the clearest illustration of the Government's decision to integrate this goal into the British welfare-to-work system occurred during the Parliamentary debates on the 1989 Social Security Bill. For example, Bob Dunn argued:

I welcome clause 9...because it will enshrine in law that which most people believe is the case but which is not the case--*that benefit should not be paid if there are opportunities to gain work which are not being actively pursued by those seeking benefit.*²⁸

During the Standing Committee stage of the Social Security Bill 1989, Nicholas Scott defended the actively seeking work regulations as necessary to ensure benefit claimants do something in return for their benefits, rather than sit around waiting for a job to fall into their lap. Specifically, he argued: "A person should not be able to sit back and hope for a job to be offered to him. He should *continually* be considering how best to find work and *pursuing every* appropriate opportunity."²⁹

It is important to emphasize this citation because it demonstrates that the Government intended the actively seeking work regulations to ensure benefit claimants continuously engaged in an activity in return for their benefits.³⁰

While I will return to this point in the next Chapter, I want to stress that the Government denied these regulations were equivalent to American welfare-to-work

²⁸Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 736. Emphasis added. See also: Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1076; Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1080; Parliamentary Debates (Hansard) Official Record House of Commons, 26 April 1989, vol. 151, col. 197-198 and 976.

²⁹Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 172. Emphasis added.

³⁰The extent of the Governments desire to link the receipt of benefits to the performance of some activity was so intensive that the final regulations provided only two weeks a year in which benefit claimants did not have to provide evidence of their work seeking activities.

programs. However, as job-search was a major component of American welfare-to-work programs the Government was provided with a ready-made program while being able to deny the development of 'workfare' in the strict sense of forcing individuals to work in return for benefit.

B. Target Resources³¹

Upon entering office in 1979, the Government immediately began implementing programs to reduce government spending. As in the United States, this focused on the reduction of welfare spending, not the introduction of welfare-to-work programs.³² However, by 1983, under the auspices of the Fowler Review, the Government was using the goal of targeting resources on the 'truly needy' to justify the introduction of the Social Security Act 1986. At this time the Government explicitly linked the necessity of targeting resources on the truly needy to the reform of the social security system in the Green Paper, *Reform of Social Security*. In Cmnd 9517 Norman Fowler stated that one of the key problems of the existing supplementary benefit system was that: "the scheme does not target resources to those who need help most as effectively as it could."³³

By 1986 arguments for the adoption of welfare-to-work schemes in the US began focusing on their ability to target benefits on the truly needy. By 1988 the Thatcher Government adopted this strategy. In particular, the Government used

³¹The targeting of resources interacts with the reasons the Government looked to the United States. Because of this it must be noted that while my analysis focuses on targeting as an dependent variable transferred by the Government it could be used as an independent variable, focusing the Government's search. Under this scenario because the Government's goal was to target benefits on young and long-term unemployed as in the United States, goal similarity lead them to draw upon the experiences of the United States. For example see: C. Walker, *Managing Poverty*, p. 123; K. Andrews and J. Jacobson, *Punishing The Poor* (Basingstoke, Macmillan, 1990); N. Ginsburg, *Divisions of Welfare* (London: Sage, 1992), p. 154.

³²Recall in the United States, the Reagan Administration mixed the cutting of social welfare programs with the introduction of workfare.

³³Green Paper, *Reform of Social Security*, Cmnd 9517 (London: HMSO, 1985), p. 31. See also: M. Wilkinson and E. Short, "Gainers and Losers in Bid to Simplify Structure and Cut Costs," *Financial Times*, 4 June 1985, 12: 1-8; J. Hunt, "Some Social Security Benefits 'Will Vanish,'" *Financial Times*, 14 February 1985, 9: 7-8.

these arguments to justify the withdrawal of benefits from 16 and 17 year-olds and the introduction of actively seeking work.³⁴ As Nicholas Scott argued:

On the question of targeting...I cannot believe that any sensible or responsible Administration should do other than seek to ensure that the money is directed to meeting needs as accurately and in as well targeted a way as possible. We are seeking to do that with some of these measures.³⁵

Finally, by late 1988 John Moore was linking the targeting of benefits on the truly needy to the advocacy of the Government's introduction of the actively seeking work legislation:

I have talked about targeting extra resources to those who need them. I am equally anxious...to ensure that money does not go to those who do not need it. There is considerable evidence that a minority...who claim unemployment benefit do not make strenuous efforts to find work...Clearly, that is an abuse of the system...I shall shortly bring before the House a social security Bill that will include provision to ensure that those claiming unemployment benefit take active steps to find work.³⁶

Clearly, Norman Fowler and John Moore's statements in the House of Commons indicate the Government's complete shift from using the language of targeting to defend cuts in social security spending to the restructuring of the benefit

³⁴In both the United States and Britain arguments about the truly needy were linked to the historic arguments surrounding deserving and undeserving poor. For reference see the section on the shift to means testing.

³⁵Parliamentary Debates (Hansard) Official Record House of Commons, 13 January 1988, vol. 125, col. 384. In fact, by 1988, the truly needy no longer included 16 and 17 year-olds, who were forced into work or training programs with the passage of the Social Security Act 1988

³⁶Parliamentary Debates (Hansard) Official Record House of Commons, 24 November 1988, vol. 142, col. 244-245.

system and the defense of the introduction of British welfare-to-work programs. This development paralleled and followed the developments occurring in the US³⁷

III. INITIAL PROGRAM TRANSFER

To date this and the preceding Chapter have demonstrated that the Government was well-informed about the design and implementation of American and Swedish welfare-to-work programs. This information underpinned the ideological and attitudinal shifts necessary for the creation of British welfare-to-work programs. The transfer of actual programs from the United States and Sweden began in the early 1980's with the establishment of the Community Programme in 1982. It then accelerated after the introduction of the Restart program in 1986.

A. Community Programme

In 1971 Governor Reagan initiated CWEP in California. The legislation required State managers to consult public and private organizations to discover the community projects which they would have operated without budget constraints. From this list the State contracted with public, voluntary and private organizations to manage work projects of community benefit. Welfare recipients were forced to work on these projects for their benefits. Their assignment lasted for as long as it took to 'earn' their grant, working at the State minimum wage.³⁸

In 1981 President Reagan sent legislation to Congress mandating CWEP nationally. However, in the 1981 OBRA Congress permitted States to decide whether or not to implement CWEP. Moreover, Congress required that if a State operated a Community Work Experience Program that it be limited to projects which

³⁷It should be noted, the reduction of the unemployment register and the PSBR had interactive effects with why the Government looked to the US. I included these in the section under "Why Look to the United States and Sweden," because these were goals the Government was pursuing prior to the implementation welfare-to-work legislation. So, they were not transferred goals but could be linked to the goals of welfare-to-work programs in an interactive model. I also want to stress that the Government's shifting use of the arguments surrounding the targeting of benefits paralleled the developments in America's use of these arguments.

³⁸For more information see: R. Howell, *Why Not Work* (London: Adam Smith Institute, 1991) and L. Mead, *Beyond Entitlement* (New York: Free Press, 1986).

‘served a useful public purpose’; did not allow program participants to displace existing employees; that these projects should lead to marketable skill for participants; and work-related expenses would be met by the State³⁹

A year after the passage of the 1981 OBRA and eight years after its introduction in California, Geoffrey Howe, Chancellor of the Exchequer, announced the Government’s intention to introduce a British version of CWEP arguing:

We can all see, in our local communities, tasks of environmental improvements, or of bringing help to those in need, that are crying out to be performed. Lord Scarman...pointed out that there could be great advantage in schemes for socially useful activity, in places of current unemployment and social security arrangements...Let me give the House some indication of what we have in mind. The central idea would be to give those who have been on the unemployment register for some time the chance to work for the benefit of their own community, while still getting broadly the equivalent of their benefit entitlement plus an addition for expenses and the like.⁴⁰

Geoffrey Howe’s proposals and American CWEP are strikingly similar. Both programs: had to be of community benefit; linked payment of benefits to program participation; and included extra payments for work expenses. The only direct difference in design was that Geoffrey Howe’s proposal was for ‘voluntary’ participation. However, I will demonstrate that even this difference was limited.

Within the guidelines announced by the Chancellor, the MSC developed the Community Programme. As in the US, the two central features of CP were that: “existing jobs are not replaced and that the local community derives benefit from a particular project.”⁴¹ Additionally, as in American CWEP, projects were primarily to

³⁹US Government, 1981 Omnibus Budget Reconciliation Act (Washington, D.C.: Government Printing Office, 1981).

⁴⁰Parliamentary Debates (Hansard) Official Record House of Commons, 9 March 1982, vol. 19, col. 732.

⁴¹Department of Employment, “Community Programme Aims to Help 200,000 a Year,” Employment Gazette, 90: 10 (1982), pp. 411-412. p. 411. See also: DE/MS, Action For Jobs (London: HMSO, 1986), p. 9.

be operated by voluntary organizations and local authorities with private organizations being allowed to operate projects provided any gain was “clearly...secondary to the benefit of the community.”⁴² Again, as in the US: “Projects should involve work which would not otherwise have been undertaken.”⁴³

The striking similarities between the American CWEP and the British CP are suggestive of the extensive borrowing which went on between Britain and the United States but in 1987 Prime Minister Thatcher confirmed the link:

We have no proposals for compulsory work or training. There are countries that have what is known as a workfare scheme. Such schemes vary enormously from state to state in the United States. At the moment we have the community program in which people can engage.⁴⁴

I want to emphasize that the voluntary did not create a significant difference between CP and American CWEP. For instance, while employers were allowed to pay participants the ‘going rate’ for work the program capped earnings at £89 a week, with no employer being allowed to pay over £60 per week average. This obviously linked ‘earnings’ closely to benefits without having to make a direct linkage. Additionally, while the program was technically voluntary, if a benefit recipient refused to participate after being offered a place they were subject to the benefit disqualification regulations found in section 20 of the 1975 Social Security Act. This was highlighted by Michael Portillo:

Mr. Hoyle: To ask Secretary of State for Social Services what plans he has to seek to change the law so as to allow his Department to withhold benefit from claimants who refuse offers of places on the Community Programme.

⁴²“Community Programme Aims to Help 200,000 a Year,” p. 412.

⁴³“Community Programme Aims to Help 200,000 a Year,” p. 412.

⁴⁴Parliamentary Debates (Hansard) Official Record House of Commons, 23 April 1987, vol. 114, col. 787.

Mr. Portillo: There are no plans to change section 20 (1) (b) of the Social Security Act 1975 in which a person may be disqualified for receiving unemployment benefit if, without good cause, he refuses an offer of suitable employment.⁴⁵

B. The Restart Process

In January 1986 the Government launched nine pilot projects inviting individuals unemployed over 12 months to special counseling interviews. The Government's objective was to use these interviews to offer individuals a choice of options from government sponsored employment and training programs.⁴⁶ The goal of the program was to move individuals from the unemployment register to full-time employment.⁴⁷ The Restart program introduced an American welfare-to-work program. Because the Massachusetts ET program and the Baltimore Options program, acted as models for the Restart Programme it is worth reviewing them before discussing the role of transfer in the Government's decision to initiate Restart.

1. Massachusetts ET Program

In 1983 Governor Dukakis launched the Massachusetts' Education and Training Choices program to help long-term welfare recipients find regular employment. The ET process begins with program registration.⁴⁸ After registration, ET staff send individuals an invitation to a counseling interview. Because ET is voluntary, recipients can decline this invitation without facing benefit sanctions. This is worth noting, because the Government often argued that the Restart process was not workfare, because it was voluntary. At counseling interviews, staff members

⁴⁵Parliamentary Debates (Hansard) Official Record House of Commons, 11 January 1988, vol. 125, col. 176. See also: Parliamentary Debates (Hansard) Official Record House of Commons, 11 January 1988, vol. 125, col. 21.

⁴⁶Parliamentary Debates (Hansard) Official Record House of Commons, 12 November 1985, vol. 86, col. 445.

⁴⁷For the national launch of the Restart program see: Parliamentary Debates (Hansard) Official Record House of Commons, 24 June 1986, vol. 100, col. 170-171, 820-821 and 110.

⁴⁸This was mandated in the WIN legislation.

offer individual's advice on their career goals and discuss a list of government sponsored programs they can enter. The programs can involve: job appraisal and placement services; job clubs; career planning workshops; basic education; on-the-job training; and 'other' training programs. After discussing available options and career goals, individuals work with an ET staff member to develop an action plan based on the client's preferences.⁴⁹

2. Baltimore Options Program

In 1982 Baltimore began the Options program. The Options program provides essentially the same components as ET, with participants being counseled and guided through a list of options: "encompassing the general categories of job search, work experience, education and skills training."⁵⁰ During the counseling process, staff members are guided by the principle of 'individualization'; the view that participants should be placed in the programs matching their individual needs and goals. Finally, Options, like ET, functions "as a 'switching station,' where eligible persons are registered and assessed and from which they are dispatched to the components, returning to Options only for reassessment and counseling."⁵¹

3. The Restart Program

a. Structure

The key aspects of the Massachusetts and Baltimore welfare-to-work programs were transferred to develop the Restart program. To begin, Restart, like ET and Options, is a 'switching station,' which begins with an 'invitation' to attend an 'in-depth' counseling interview.⁵² As in the Options program, those refusing to

⁴⁹For a good summary of the ET program see: M. Wiseman, "Workfare and Welfare Reform," in H. R. Rodgers Jr. (eds.), Beyond Welfare: New Approaches to the Problem of Poverty in America (New York: M.E. Sharp Inc., 1988); M. Kaus, "The Work Ethic State," The New Republic, 7 July 1986.

⁵⁰D. Friedlander, G. Hoerz, D. Long, J. Quint, B. Goldman and J. Gueron, Maryland: Final Report On The Employment Initiatives Evaluation (New York: MDRC, 1985), p. 7.

⁵¹D. Friedlander, G. Hoerz, D. Long, J. Quint, B. Goldman and J. Gueron, Maryland: Final Report On The Employment Initiatives Evaluation, p. 7.

⁵²I highlight "invitation" and "in-depth" for while these terms were used by Government officials and literature, individuals could not refuse the invitation and it was discovered that on average

attend the Restart interview risk losing their benefit entitlement under Section 20 of the Social Security Act 1975. This was actually clarified by Ian Lang on the first day of the Program:

Jobcenter staff are instructed that if a person does not attend an interview under the restart programme they are to issue another invitation offering an appointment at a date and time which is within two weeks of the first appointment. If the second appointment is not kept, the fact is reported to the benefit authorities...which will withdraw supplementary allowance.⁵³

At Restart interviews, long-term benefit recipients discuss the type of work they are seeking and their qualifications. After establishing a recipient's goals and qualifications, Restart counselors present individuals with a series of eight options available to help them 'escape' unemployment.⁵⁴

b. Ideology

Along with the structural similarities between American welfare-to-work programs and Restart, both were designed to 'police the benefit system,' by removing individuals who refuse offers of help at their interview.⁵⁵ Despite Ministerial statements to the contrary, as in most American welfare-to-work programs, individuals could lose benefits for refusing offers presented at Restart interviews. A

interviews lasted under 30 minutes which is not enough time to conduct an in-depth interview. See: M. White and J. Lakey, The Restart Effect (London: Policy Studies Institute, 1992).

⁵³Parliamentary Debates (Hansard) Official Record House of Commons, 1 July 1986, vol. 100. col. 480.

⁵⁴For more information see: Action For Jobs, p. 7. Since the introduction of Restart several changes have occurred in the list of options presented to unemployed individuals so that as of 1990 there were nine options see: DE, Just The Job: More Than A Million Opportunities To Help You Back To Work (London: HMSO, 1993).

⁵⁵Even though ET was voluntary there is substantial evidence that at interviews recipients were placed under considerable pressure to accept help. Some authors state that this pressure was so intense ET was far from voluntary. Restart has suffered from the same criticism. See: C. Thomas, "US Drive for Welfare Shake-Up Unites Political Enemies," The Times, 24 March 1987, 8: 1-5; M. Taynton, "A Scheme That Fails to Help the Unemployed," Guardian, 25 February 1988, 18.

typical Ministerial response to Parliamentary Question regarding the mandatory nature of Restart is provided by Kenneth Clark who argued:

No one can lose their benefit entitlement as a result of the restart programme. Under long-standing legal rules, people can lose their entitlement to benefit if they fail to attend an interview, are no available for work or refuse an offer of suitable employment.⁵⁶

Norman Fowler would typically respond to Parliamentary Questions by arguing that: “No one can lose their benefit entitlement *solely* as a result of attending a restart interview.”⁵⁷ Given such responses, it is important to stress that initially Ian Lang admitted Restart could result in the loss of benefits:

People interviewed under the restart programme may subsequently be disqualified by the benefit authorities from receiving unemployment related benefits for two reasons: (i) if they are not available for work or are imposing such restrictions on the kind of work they are prepared to accept that they have no reasonable prospects of securing employment; or (ii) if they refuse without good cause a suitable job or training opportunity.⁵⁸

However, within two months of this statement Ian Lang also began insisting that no one could lose their benefit entitlement as a result of the Restart process.

In combination, Kenneth Clark and Ian Lang’s statements and the Government’s assurance that ‘everyone interviewed’ would be offered help make clear recipients could not refuse an offer of help without risking the loss of their

⁵⁶Parliamentary Debates (Hansard) Official Record House of Commons, 3 February 1987, vol. 109. col. 600, also col. 480; Parliamentary Debates (Hansard) Official Record House of Commons, 3 November 1986, vol. 103, col. 358; Parliamentary Debates (Hansard) Official Record House of Commons, 21 July 1987, vol. 120. col. 196; Parliamentary Debates (Hansard) Official Record House of Commons, 10 December 1987, vol. 123. col. 249.

⁵⁷Parliamentary Debates (Hansard) Official Record House of Commons, 9 November 1987, vol. 122. col. 52. Emphasis added.

⁵⁸Parliamentary Debates (Hansard) Official Record House of Commons, 18 July 1986, vol. 101. col. 650-651.

benefits. Furthermore, Department of Employment guidelines to Restart staff stressed that they should offer positive help at all interviews.⁵⁹ So, by the end of the first year 90 per cent of interviews ended with recipients being offered a job or a place on a government sponsored scheme.⁶⁰ This indicates that the Government was using Restart, in combination with Section 20 of the Social Security Act 1975, to implement an American style welfare-to-work program.

On 30 April 1986 Lord Young provided conclusive evidence that the Government borrowed the Restart program and its underlying philosophy from the United States: “My Lords, the Government are studying American experience of ‘Workfare’...*We have already applied some of the lessons of these programmes in the restart programme to help the long-term unemployed.*”⁶¹

4. Beveridge Integrated Into Restart

The first major changes to the Restart program occurred within six months of its introduction. At this time Kenneth Clark announced that the Government intended to lower the time during which claimants were allowed to draw benefits before being ‘invited’ to a Restart interview from 12 to six months. Mr. Clark also announced that individuals would be recalled every six month’s during the first three years of unemployment.⁶² I note these changes because they further link Restart to the policing of the benefit system.

⁵⁹M. Taynton, “A Scheme that Fails to Help the Unemployed,”; “The Wages of Work Experience,” *Guardian*, 5 June 1987, 11: 1-7; D. Finn and L. Ball, *Unemployment And Training Rights Handbook*, (London: Unemployment Unit, 1991). esp. p. 98-109.

⁶⁰Department of Employment: *Employment Gazette*, 95: 1 (January 1987), p. 55; Parliamentary Debates (Hansard) Official Record House of Commons, 21 July 1987, vol. 120. col. 155. For discussion of Restart workfare in which the DE is described as using a “placement before payment” strategy see: Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 172-174

⁶¹Parliamentary Debates (Hansard) Official Record House of Lords, 30 April 1986, vol. 474. col. 254. emphasis added. This declaration was repeated by Ian Lang in the House of Commons on 20 May 1986. See: Parliamentary Debates (Hansard) Official Record House of Commons, 20 May 1986, vol. 98, col. 150 and 415.

⁶²See: Parliamentary Debates (Hansard) Official Record House of Commons, 28 January 1987, vol. 108; Parliamentary Debates (Hansard) Official Record House of Commons, 3 February 1987, vol. 109. col. 601.

What is more important, the six month grace period appears to have been drawn from the Beveridge Report. Specifically, the Beveridge report advised the Government to make the payment of:

*unemployment benefit at full rate indefinite in duration, subject to requirement of attendance at a work or training center after a limited period of unemployment...six months for adults would perhaps be a reasonable average period of benefit without conditions.*⁶³

This suggest, that the Government used the Bevenridge Report to develop the Restart program.

Moreover, as the Beveridge Report advised, the Department of Employment instructed Restart counselors to enroll individuals into the Government's Employment Training Scheme.⁶⁴ In fact, despite Ministerial denials, the Policy Studies Institute provided evidence of this. Specifically, Michael White and Jane Lakey found that in over half of the Restart interviews counselor's discussed ET with individuals and in the "the majority of these cases...the Restart counselor made an appointment on behalf of the claimant to be assessed for entry to ET."⁶⁵

5. As US Programs Advanced The Government Updated Restart

a. Follow-Up Interviews

It is important to emphasize that as American welfare-to-work programs developed the Government integrated many of these changes into Restart. One of the first advances to occur in American welfare-to-work programs was the development of recall interviews. Specifically, counselors were instructed to 'follow-up' individuals refusing to participate or agreeing to a course of action and then dropping out. For example, Massachusetts instructed ET counselors to recall claimants to discuss why they failed to fulfill their action plan. Moreover, counselors were even

⁶³Sir W. Beveridge, Social Insurance and Allied Services, Cmd 6406 (London: HMSO, 1942), p. 57-58. Emphasis in original.

⁶⁴See: D. Finn and L. Ball, Unemployment and Training Rights Handbook, esp. p. 98-109.

⁶⁵M. White and J. Lakey, The Restart Effect, p. 55.

known to send “friendly letters of encouragement” to recipients who were not following their agreements.⁶⁶

The British Government adopted this approach in 1989 when the Department of Employment instructed Restart counselors to conduct ‘systematic follow-up interviews’ for any individual who failed to attend an employment or training program after agreeing to do so.⁶⁷

b. Case Management

During the 1980s States discovered that assigning welfare-to-work participants to case-managers allowed a single individual to become familiar with the participant, leading to more effective involvement, interaction and encouragement between staff and participant.⁶⁸ Based on this information, the 1988 FSA required States to assign welfare-to-work participants to a case-manager for the duration of their enrollment.

Two years after the completion of the Congressional welfare reform hearings, the Thatcher Government adopted case-management for the Restart program: “so that unemployed people are, where possible, seen and followed by the same person.”⁶⁹ In fact, the Department of Employment issued these guidelines telling individuals that every time they went for a Restart interview: “You should see the same person...so that your needs are understood.”⁷⁰ As will be discussed below, one of the reasons the Government restructured the Restart program to include case management was the transfer of employability plans from the United States.

⁶⁶See: C. Thomas, “Workfare US Answer to the Dole,” 14: 3.

⁶⁷Parliamentary Debates (Hansard) Official Record House of Commons, 25 July 1990, vol. 177, col. 277. For specific details see: D. Finn and L. Ball, Unemployment And Training Rights Handbook, p. 103-104. It should be noted that as with regular Restart interviews an individual failing to attend a follow-up interview risks losing their benefits.

⁶⁸US Government, “Welfare vs. Workfare” Hearings Before the Senate Committee on Finance, US Senate, 99th Congress, 2nd session, (Washington, D.C.: Government Printing Office, 28 October, 1987), p. 55. See also: US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation of the Committee on Ways and Means.

⁶⁹Parliamentary Debates (Hansard) Official Record House of Commons, 25 July 1990, vol. 177, col. 277.

⁷⁰DE, Just The Job: More, p. 14.

c. Restart Questionnaires

One further change to the Restart program worth discussing was the introduction of a new job-seeking questionnaire during Restart interviews. I emphasize this, not because the idea was transferred from the US, but because the questionnaire increased the links between the program and the philosophy underlying American welfare-to-work programs. As Norman Fowler announced: “The Questionnaire will also seek information about *any restriction which claimants are placing on the jobs they will take so that a check can be made that they continue to be available for work.*”⁷¹ The questionnaire strengthened the link between the Restart program and the reduction in the unemployment numbers because it was structured to provide information needed to remove recipients from the benefit system. The link was strengthened further because completion of UB671R was compulsory. Any recipient refusing to complete any answer on the form was considered to be making themselves: “unavailable for work and ineligible for benefit.”⁷²

C. Signing -On Questionnaires

a. 1986 Revisions

In October 1986 the Government changed the questionnaires which benefit claimants had to complete before receiving benefits. They did this to ensure claimants were truly ‘available for work.’ The Government based the decision to introduce the 1986 questionnaires on the recommendations of the National Audit Office and the Public Accounts Committee who reported that it was: “easy for claimants to deduce the answer required in order to qualify for benefits.”⁷³ I note the revisions to the questionnaire because it was another device used to reduce the

⁷¹Parliamentary Debates (Hansard) Official Record House of Commons, 14 December 1987, vol. 123, col. 338.

⁷²D. Finn and L. Ball, *Unemployment and Training Rights handbook*, p. 101. For data on the use of Restart as a means of policing the benefit system see: Appendix A.

⁷³For more information See: House of Commons: Committee on Public Accounts, Session 1984-1985, *Unemployment Benefit Service*, HC 434, (London: HMSO, 1985); NAO, Report by the Comptroller and Auditor General, *Department of Health and Social Security, Department of Employment, Benefit Service*, HC 374, (London, HMSO, 1985)

unemployment count and introduce a British style welfare-to-work system. In fact, during Parliamentary debates it was revealed the Government had conducted pilot surveys indicating the new questionnaires could eliminate more claimants than it cost to administer.⁷⁴

b. 1988 Revisions

When introducing the Restart questionnaire, Norman Fowler announced a further revision of the introductory questionnaire. Specifically, the Government argued that the revision was necessary to: “seek more information on such subjects as the claimant’s qualifications...and on the type of work...being sought.”⁷⁵ As Kay Andrews and John Jacobs imply, this extended further the underlying philosophy of American welfare-to-work programs to these questionnaires: “The questions on the form reveal clearly the intention to try to force claimants off the register or, failing that, to force them to take the lowest-paid jobs available and then to keep them trapped at that level.”⁷⁶ In fact, Margaret Beckett made a similar observation: “How one fills in the questionnaires is important, as are the precise words that are used.”⁷⁷

D. Restart Course

American welfare-to-work programs initiated after the passage of the 1981 OBRA, often included a one to three week workshop designed to enhance the job-

⁷⁴I want to suggest that the idea for the introduction of the new questionnaires was itself transferred from the Federal Republic of Germany. Five years before the introduction of the questionnaires, the Rayner Report recommended that the Government introduce West German style questionnaires to screen individuals before they entered the benefit system. For more information see: L. Morris and T. Hewellyn, Social Security Provisions for the Unemployed, p. 97; Parliamentary Debates (Hansard) Official Record House of Commons, 14 December 1987, vol. 123, col. 338; Parliamentary Debates (Hansard) Official Record House of Commons, 4 November 1986, vol. 103, col. 334; J. Burton, Would Workfare Work?, p. 18; K. Andrews and J. Jacobs, Punishing the Poor, p. 158-163.

⁷⁵Parliamentary Debates (Hansard) Official Record House of Commons, 14 December 1987, vol. 123, col. 338

⁷⁶K. Andrews and J. Jacobs, Punishing the Poor, p. 159. Opposition members also linked the introduction of new questionnaires to the Government’s desire to reduce the public sector borrowing requirement. See: Parliamentary Debates (Hansard) Official Record House of Commons, 4 November 1987, vol. 103, col. 805;

⁷⁷Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 180.

seeking skills and motivation of program participants. For example, San Diego's initial welfare-to-work programs (EPP and EWEP) began with a "three-week group job search program, in which they participated in workshops designed to build self-confidence and job-seeking skills."⁷⁸ Program managers found this workshop so successful they transferred it to San Diego's second generation welfare-to-work program (SWIM).⁷⁹

Baltimore's Options program also began with a week course (changed to two weeks in 1988). Specifically, "Training in General Behavior: World of Work Orientation," involved a group workshop designed to build self-confidence and the attitudes and behaviors necessary for successful job retention. This course was followed by a two week group workshop designed to teach participants the skills and attitudes necessary for a successful job search.⁸⁰

Compare these descriptions with Ian Lang's representation of the Restart Course:

The short courses offered under the restart scheme are of one week's duration...The courses will concentrate on re-motivation and re-assessment of skills, strength and potential as well as improving techniques of job search, application and interview.⁸¹

Although this charge cannot be directly attributed to policy transfer, John Burton stressed that the Restart Course moved the British welfare system towards American welfare-to-work programs:

Two elements of Restart are of especial relevance to this study as they represent a move towards practices widely used under workfare on the American model...there has been the introduction of an entirely new

⁷⁸B. Goldman, D. Friedlander, D. Long, M. Erickson and J. Gueron, Final Report On The San Diego Job Search And Work Experience Demonstration (New York: MDRC, 1986), p. 5.

⁷⁹G. Hamilton, D. Friedlander, B. Goldman and D. Long, Final Report On The Saturation Work Initiative Model In San Diego (New York: MDRC, 1989), p. 8.

⁸⁰D. Friedlander, G. Hoerz, D. Long, J. Quint, B. Goldman and J. Gueron, Maryland: Final Report On The Employment Initiatives Evaluation, p. 8.

⁸¹Parliamentary Debates (Hansard) Official Record House of Commons, 23 May 1986, vol. 98, col. 361.

short (1-2 week) course for LTUs concentrating on assessment of potential and aptitudes, the updating of basic working skills and techniques of job search, applications and interviews.⁸²

Moreover, the *Income Support (General and Transitional) Amendment Regulations 1990* mandated attendance at a Restart Course for any individual drawing benefits for over two years.⁸³ Specifically, the amendment requires any individual who has been unemployed for two years to attend a Restart Course if at their fourth Restart interview they refuse to participate in a Government sponsored employment or training program.⁸⁴ Those refusing to participate in the course risk a benefit reduction of up to: “40 per cent of personal income support for a period not exceeding the length of the course.”⁸⁵ However, individuals could continually be referred to the Restart Course making the benefit suspension a considerable penalty.

This clearly instituted a workfare program into the Government’s already substantial welfare-to-work system.

E. The Crucial Link: Dual Extension Of The Benefit Disqualification Period

In 1986 when introducing the Restart program the Government also extended the benefit disqualification period from six weeks to 13 weeks. Eighteen months later they doubled this to 26 weeks when they introduced the new general and Restart questionnaires. It is important to note the extensions of the benefit disqualification period for, even though it was not transferred from the United States, combined with other changes which were, it played an important role leading to the establishment of the unique British welfare-to-work system.⁸⁶

⁸²J. Burton, *Would Workfare Work?*, p. 18.

⁸³HMSO, *The Income Support (General and Transitional) Amendment Regulations 1990*, Cm 1355 (London: HMSO, December 1990).

⁸⁴See: Parliamentary Debates (Hansard) Official Record House of Commons, 11 May 1990, vol. 172, col. 270; Parliamentary Debates (Hansard) Official Record House of Commons, 7 June 1990, vol. 173, col. 707-708; D. Finn and L. Ball, *Unemployment And Training Rights Handbook*, p. 105, 228-237.

⁸⁵HMSO, *The Income Support (General and Transitional) Amendment Regulations 1990*, Cm 1355, p. 1.

⁸⁶All of the changes not directly attributable to the US are important to mention for they helped institute a welfare-to-work system so were inspired by the ideology and operation of the American

1. How Linked To The Welfare-To-Work System

As in American welfare-to-work programs, the extension of the benefit disqualification period was designed to reduce the PSBR. As Secretary of State Nicholas Scott admitted: "The estimated benefit savings in the first full year after implementation were £21 Million for the 1986 change and £37 million for the 1988 changes."⁸⁷ The extension of the benefit disqualification period also moved the British welfare system towards the American system, for these changes acted to police the benefit system, forcing individuals to retain their employment before ever entering the benefit system. This disincentive effect of extending the disqualification period was enhanced when linked to the normal 40 per cent deduction of income support payments over the same period for families subject to the disqualification.⁸⁸

Moreover, as will be discussed below, when the 26 week disqualification period is combined with provisions in the Social Security Act 1989, the philosophy of preventing people from ever entering the system by 'encouraging' them to retain their jobs or forcing them into work to receive benefit clearly emerges as a British version of the American workfare philosophy.⁸⁹

2. The Legislation

Part four Section 43 of the Social Security Act 1986 eliminated a 75 year-old provision by extending the benefit disqualification period from six to 13 weeks for either 'voluntary' unemployment or refusing an official offer of suitable employment

System but specifically designed to take advantage of the British Social Security System and its governing rules.

⁸⁷Parliamentary Debates (Hansard) Official Record House of Parliament, 13 March 1991, vol. 187, col. 536.

⁸⁸This deduction was lowered to 20 per cent if a member of the family was ill, pregnant or the families combined assets were below £100 uprated to £200 in with the introduction of income support April 1988. See: Parliamentary Debates (Hansard) Official Record House of Commons, 1 March 1988, vol. 128, col. 835-836.

⁸⁹The 13 and then 26 week disqualification periods were maximum not required disqualification periods, but Government studies found that 2/3 of the individuals disqualified were for the maximum period. See: K. Andrews and J. Jacobs *Punishing the Poor*, p. 155; N. Wikeley, "Unemployment Benefit, the State, and the Labour Market," p. 301.

or training.⁹⁰ Furthermore, Section 43 permitted the Secretary of State to extend this period without having to submit the changes to Parliament. Indeed, subsequently the Minister issued the *Unemployment Benefit (Disqualification Period) Order 1988*, S.I. No. 487,⁹¹ which extended the disqualification period to 26 weeks, beginning April 1988.⁹² As Nicholas Scott argued at the time, the purpose of the extension was to: “discourage people from acting in a way which leaves them unnecessarily without work and a charge on the public purse.”⁹³ This clearly indicates the Government’s development of a uniquely British welfare-to-work system combining American programs and philosophies with British programs designed specifically to prevent people from becoming ‘wards of the state.’

Even more telling for the development of a British welfare-to-work system, combining both transferred ideas and inspirations and indigenous programs, the Social Security Act 1986 included a provision granting the Secretary of State for the first time the power to count the disqualification period toward the total 52 week unemployment benefit qualification period.

CONCLUSION

In this chapter I demonstrated that in developing the British welfare-to-work system the Government transferred the ideas, attitudes and goals inherent within the American welfare-to-work system to build the support necessary to introduce the initial programs of the British welfare-to-work system. I also showed how the government used their knowledge of American welfare-to-work programs to design and then fit the initial programs of the welfare-to-work system. In the next chapter I am going to continue examining how the Government used American and Swedish welfare-to-work programs to inspire, design and develop the British welfare-to-work

⁹⁰HMSO, *Social Security Act 1986*, (London: HMSO, 1986), Sec. 12 (2). The six week principle was established in the original Social Security Act 1911 and reiterated in following social security act, including the Beveridge Report and the Social Security Act 1975.

⁹¹HMSO, *Social Security Act 1986* (London: HMSO, 1986), 12 (3)

⁹² Section 12 (2) of the Social Security Act 1989 eliminated the ability of the Secretary of State to extend the disqualification period beyond 26 weeks.

⁹³Parliamentary Debates (Hansard) Official Record House of Commons, 1 March 1988, vol. 128, col. 836.

system. I will also draw attention to the use of past policies and proposals, particularly the Beveridge report, by the Government in developing specific aspects of the welfare-to-work system.

Chapter Eight

Welfare-To-Work Comes To Britain

The Core Programs

INTRODUCTION

In the preceding chapter I began discussing the initial elements of the British welfare-to-work system. In this chapter I am going to deal with the primary programs composing the British welfare-to-work system. Specifically, I shall examine the programs and ideas in the: Employment Act 1988; Social Security Act 1988; the ET Scheme; TEC's and LEC's; and the Social Security Act 1989. I will also demonstrate how, when combined, these programs completed the development of the British welfare-to-work system. More importantly, I will show how the provisions found in Section 12 of the Social Security Act 1989 developed a uniquely British form of the American 'workfare' program.

I. THE FIRST WORKFARE PROGRAM ARRIVES: THE YOUNG

A. Social Security Act 1988/Withdrawal of Benefits to 16 and 17 Year-Olds

While an examination of the Youth Training Scheme (YTS) is beyond the scope of this chapter, it is clear the Government transferred the inspiration and justifications for linking the benefit entitlement of 16 and 17 year-olds to their participation within the YTS from Sweden and the Beveridge Report.¹ Specifically, Section 4 of the Social Security Act 1988 removes the right of 16 and 17 year-olds to claim income support outright, unless the Secretary of State determines 'severe hardship' would result from such actions.²

1. The Swedish Welfare-To-Work system

In combination with the Government's 'guaranteed' place on the Youth Training Scheme for every 16 and 17 year-old, Section 4 implements a key aspect of Sweden's welfare-to-work system. Specifically, since the 1970s no individual under twenty has been entitled to 'cash' benefit. To manage this, the minimum school

¹Recall that Patrick Minford et. al. made the same proposal in Unemployment Causes and Cures 2nd ed. (Oxford: Blackwell, 1985).

²See: HMSO Social Security Act 1988 (London: HMSO, 1988), Section 4.

leaving age in Sweden is 18: "After the age of 18, the Employment Service has full responsibility for finding employment/training for young people."³ The similarities between Sweden and the post-1988 British treatment of unemployed youth is striking. The similarities are enhanced when it is realized that in Britain the minimum school leaving age is 16 rather than 18. So, in both countries for two years after 'legally' leaving school individuals are denied state benefits unless they join a State-sponsored training program.

2. Historical Development Of Mandatory YTS

I should stress that the removal of benefits from 16 and 17 year-olds was first proposed by the Secretary of State for Employment, Norman Tebbit, in 1981. However, after debate the Government rejected this proposal as politically unacceptable. Even after the Government's decision Norman Tebbit was quoted as saying: "We still believe that these young people should not be entitled to supplementary benefits in their own right."⁴

The Government's intent to withdraw benefits from 16 and 17 year-olds continually emerged between 1981 and 1985 until it was finally placed on the agenda with the publication of *Employment: The Challenge for the Nation*.⁵ In Cmnd 9474 the Government announced its intention to expand YTS from 16 year-olds to both 16 and 17 year-olds. At the same time, they introduced the rhetoric used to justify the withdrawal of benefits three years later. Moreover, Cmnd 9474 introduced the rhetoric used to support the claim that YTS was a voluntary program. The key passage of Cmnd 9474 is 6.16, which proclaims: "Once the expanded Youth Training Scheme is fully established every young person under 18 will have the choice of staying on in education, taking a job or receiving training."⁶ The Government

³J. Burton, *Would Welfare Work* (Buckingham: University of Buckingham, 1987), p. 21.

⁴Quoted in: K. Andrews and J. Jacobs, *Punishing the Poor* (Basingstoke, Macmillan, 1990), p. 79.

⁵For a more complete discussion on the Government's continual desire to withdraw benefits from 16 and 17 year-olds see: J.P. Thomsen, *Governing Against Pressure State Autonomy vs. Trade Union Pressure in British Politics During the 1980s: Theoretical and Empirical Explorations*, Unpublished Ph.D. Thesis for the Institute for Statkirndskal, Aarkus Universitet, November 1994, chapter 6.

⁶White Paper, *Employment: The Challenge for the Nation*, Cmnd 9474 (London: HMSO, 1985), p. 16.

continually reiterated this phrase during the passage of the Social Security Act 1988 to disclaim the introduction of compulsion into YTS.⁷

3. *The Emergence Of The Legislation*

a. 1987

Up to the 1987 General Election the Government avoided indicating that they intended to withdraw benefits from 16 and 17 year-olds. Even the election manifesto did not mention the complete withdrawal of benefits from 16 and 17 year-olds, calling only for the withdrawal of benefits from individuals who *deliberately* refused employment.⁸ In fact, just prior to the election, the Paymaster General and Minister for Employment Kenneth Clark, declared to the House of Commons that the Government had no intention of withdrawing benefits from 16 and 17-year-olds: “I do not think that it is right to say automatically that somebody should lose benefit just because he or she declines to take part in a scheme.”⁹

This suggests that the Government was lying or learning how to implement the withdrawal of benefits in a politically viable fashion. For as I discussed in Chapter seven, a team from the Department of Employment spent the year prior to the passage of the 1988 Social Security Act in Sweden examining the operation and implementation of their welfare-to-work programs.

b. Beveridge Re-Emerges In 1988

Parliamentary Debates provide evidence of the Government use of Sweden’s welfare-to-work program and the Beveridge report to inspire and develop the welfare-to-work elements of the YTS. For example, during the passage of the Social

⁷To admit this would indicate the implantation of compulsion into the emerging welfare-to-work system.

⁸See: Parliamentary Debates (Hansard) Official Record House of Lords, 25 January 1988, vol. 492, col. 417; Parliamentary Debates (Hansard) Official Record House of Commons, 2 November 1987, vol. 121, col. 665 and 659; Parliamentary Debates (Hansard) Official Record House of Commons, 13 January 1988, vol. 125; Parliamentary Debates (Hansard) Official Record Standing Committee E, 26 January 1988.

⁹Parliamentary Debates (Hansard) Official Record House of Commons, 28 January 1987, vol. 109, col. 344 and 352-353.

Security Bill, Conservative MP's drew on the Beveridge Report to defend their decision to withdraw benefits from 16 and 17 year-olds not participating in Government sponsored training schemes. For example, Secretary of State for Social Services, John Moore, argued:

I have no doubt that our proposals would also be supported by Beveridge if he were alive today. Beveridge wrote that for boys and girls there should ideally be no unconditional benefit: Their enforced abstention from work should be made an occasion for further training.¹⁰

It is important to note the Government's reliance on the Beveridge Report, because while lessons are often drawn from the past, in this instance the Government was not using an implemented program, but rather past ideas. This indicates that the Government used the past to inspire and justify a decision which was available to previous Governments but never used. Because this policy was ignored by previous policy makers it suggests the Government's use of the Swedish welfare-to-work program as at least an inspiration for their decision to withdraw benefits to 16 and 17 year-olds. It also suggests that the policy was ideologically-driven, utilizing the transfer of programs and ideas based on this ideology.

c. Sweden Inspired The Program

A further indication that the withdrawal of benefits from 16 and 17 year-olds was based on ideas and policies transferred from Sweden is that there were considerable measures already available to remove 16 and 17 year-olds from benefits. Specifically, Section 20 of the Social Security Act 1975 provides numerous provisions to remove benefit recipient who refuse offers of help without 'good cause' or are deemed to be 'voluntarily' unemployed.¹¹ As noted by Lord Banks:

¹⁰Parliamentary Debates (Hansard) Official Record House of Commons, 2 November 1987, vol. 121, col. 659.

¹¹HMSO Social Security Act 1975 (London: HMSO, 1975).

“regulations already exist to reduce the benefit for young people who unreasonably refuse the offer of a place in a YTS or who leave early for no good reason.”¹²

4. The United States Link

The Government also transferred lessons from the US. Specifically, they were inspired to withdraw benefits in order to strengthen the family. Recall, during the passage of the FSA numerous witnesses testified that one of the primary failures of the welfare system was its tendency to separate families, particularly in States lacking AFDC-UP programs.¹³ This testimony led to provisions in the Act eliminating benefits to 16 and 17 year-olds who lived away from home, unless it could be shown there was a good cause for them to live independently.¹⁴ This rhetoric was transferred by the Government to defend its decision to eliminate benefits to 16 and 17 year-olds not involved in the YTS.¹⁵ For example, Nicholas Scott used the exact argument forwarded in Congressional hearings to defend the withdrawal of benefits to 16 and 17 year olds: “Our policy is the correct one for the vast majority of 16 and 17-year-olds; it would be irresponsible to provide a perverse incentive for people of this age to leave home needlessly.”¹⁶

¹²Parliamentary Debates (Hansard) Official Record House of Lords, 25 January 1988, vol. 492. col. 432.

¹³See: US Government, “Welfare: Reform or Replacement,” Hearings Before the Subcommittee on Social Security and Family Policy; US Senate 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1987); US Government, “Welfare Reform,” Hearings Before the Subcommittee on Public Assistance and Unemployment Compensation of the Committee on Ways and Means. US House of Representatives, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1987).

¹⁴See: US Government, 1988 Family Support Act (Washington, D.C.: Government Printing Office, 1988).

¹⁵This argument is linked to the Social Security Act 1986. As a general rule this Act provided lower benefits for individuals under 25.- This was based upon claim that until 25 most people were totally or partially dependent on their parents. The flip side is that by providing lower rates of benefits the Government forced many under 25s to be dependent upon their parents. See: SSAC Sixth report of the Social Security Advisory Committee (London: HMSO, 1989), p. 5-10.

¹⁶Parliamentary Debates (Hansard) Official Record House of Commons, 14 March 1989, vol. 149. col. 27. It should also be noted Section 6 of the Social Security Act 1988, effectively eliminated the ability of 16 and 17 year-olds to qualify for unemployment benefit by raising the minimum contribution period to two years. For more information see: HMSO Social Security Act 1975 (London: HMSO, 1975), Sec. 6; Parliamentary Debates (Hansard) Official Record House of Commons, 2 November 1987, vol. 121. col. 668.

II. THE SYSTEM ADVANCES: EMPLOYMENT ACT 1988

The Employment Act 1988 further transferred the philosophy and practice of American welfare-to-work programs to the United Kingdom. Specifically, the Employment Act 1988 authorized the Secretary of State to designate any government sponsored training program as 'approved.' Once a program is approved, no benefit recipient can refuse a place without losing their benefit entitlement for up to 26 weeks. The Act also eliminated the need for training programs to be 'suitable' to the individual and permitted the Secretary of State to determine the 'status' of participants, as employees or trainees. Finally, it instituted the philosophy that training was the equivalent of a full time job, by unifying the disqualification regulations for work and training.

A. Clause 27.

1. Must Accept Approved Training

In this section I will demonstrate how Clause 27 of the Employment Act 1988 instituted American and Swedish welfare-to-work legislation into the British training system. Additionally, I will show how Section 20 of the Social Security Act 1975 was copied into the Employment Act 1988.

The key aspect of welfare-to-work programs is the requirement that participants accept government sponsored work or training programs. In combination, Section 20 of the Social Security Act 1975 and Clause 27 of the Employment Act 1988 institute this into the British welfare system. Specifically, Clause 27 (2) (f-g) allows the Secretary of State to disqualify any individual from receiving state benefits if:

- (f) After a place on an approved training scheme has been properly notified to him as vacant or about to become vacant, he has without good cause refused or failed to apply for that place when offered to

him; or (g) he has neglected to avail himself of a reasonable opportunity of a place on an approved training scheme.¹⁷

These are the same conditions which led to benefit sanctions within American welfare-to-work programs; adapted into the emerging British welfare-to-work system.¹⁸ Section (3)(b) moved the British system even closer to the practice and philosophy of American and Swedish welfare-to-work systems. Specifically, it legislated that any program could be designated 'approved' if individuals: "are trained for employment; or...acquire work-experience for the purpose of becoming or keeping fit for entry to or return to regular employment."¹⁹ Since all programs are designed for these purposes, Section (3)(b) provides the Secretary of State with the power to implement obligations into the British welfare-to-work system.²⁰

2. Leaving Disqualifications

Clause 27, Section (2)(e), further links the acceptance and participation in government training programs to the underlying ideology of American welfare-to-work programs. In America individuals could be sanctioned for leaving a program voluntarily, without good cause. Clause 27, Section (2)(e) instituted this in the British welfare system. Specifically, Section (2)(e) states that an individual may be disqualified from receiving benefit if: "he has lost his place on an approved training scheme through his misconduct, or has voluntarily left such a place without good cause."²¹ The Government justified the introduction of Clause 27 as a means of eliminating the ability of 16 and 17 year-olds to voluntarily leave the YTS. However numerous Opposition members argued that the Government's true motives was the

¹⁷HMSO Employment Act 1988 (London: HMSO, 1988), Section 27 (2) (f-g).

¹⁸Recall the 1988 FSA implemented benefit sanctions for any benefit recipient refusing to participate or withdrawing from any of the program components found within the Act. Unlike Britain there was no need to call for approved programs for any program was vetted before being implemented to insure its appropriateness.

¹⁹HMSO Employment Act 1988, Section 27 (3)(b).

²⁰For a further discussion see: Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988.

²¹HMSO Employment Act 1988, Section 27 (2)(e).

introduction of the underlying philosophy and process of American welfare-to-work programs.²²

It is also worth stressing that when linked to the extension of disqualification period from 13 to 26 weeks, Clause 27 further developed the workfare aspects of the British welfare-to-work system. With the possibility of a six month benefit suspension, individuals were 'encouraged' to retain training positions. As Henry McLeish argued: "The drift of the clause is that those who do not accept places in the program will be liable not to conscription but to non-benefit. There will be no income for such people to ensure that they cannot survive independently unless they join the programmes."²³ So, with Clause 27 Britain created the same requirements to accept government sponsored training programs in return for benefits which underpinned the design and philosophy of American and Swedish welfare-to-work programs.²⁴

3. Training: Work By Any Other Name

A combination of Clause 27 and the extended benefit disqualification period meant that the operation of American welfare-to-work programs was transferred to Britain. In American welfare-to-work programs training positions are considered equivalent to a job.²⁵ With the introduction of clause 27, this philosophy and practice was introduced into the British welfare-to-work system. Specifically, Clause 27 implemented the disqualification rules of Section 20 of the Social Security 1975 into training programs. As will be discussed, the Social Security Act 1989 removed the one exception to this; job suitability. With the elimination of job suitability in the

²²See: Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988; Parliamentary Debates (Hansard) Official Record Standing Committee F, 21 January 1988; Parliamentary Debates (Hansard) Official Record House of Commons, 10 February 1988, vol. 127, col. 407-436.

²³Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988, col. 780.

²⁴It should be noted that despite confusion within the literature the Secretary of State did not 'approve' ET. But the threat has always loomed for the Secretary of State refused to guarantee he would not designate ET during or after the passage of the Bill. This has created a similar situation to Massachusetts, for while ET is officially voluntary, benefit recipients are "expected" to participate, for their own good.

²⁵See: US Government, 1981 Omnibus Budget Reconciliation Act (Washington, D.C.: Government Printing Office, 1981); US Government, 1988 Family Support Act.

Social Security Act 1989, the American link between welfare and the acceptance of training or work was fully integrated into the British welfare system.

4. Reliance Upon The Past: Who Said New Dogs Can't Learn Old Tricks?

It is further worth noting Clause 27 because as previously noted it is example of policy transfer from past legislation. Specifically, the Government transferred the wording for Clause 27 from Section 20 of the Social Security Act 1975. Section 20 (a-c) states that an individual is disqualified from receiving benefit if:

he has lost his employment as an employed earner through his misconduct, or has voluntarily left such employment without just cause; (b) after a situation in any suitable employment has been properly notified to him as vacant or about to become vacant, he has without good cause refused or failed to apply for that situation or refused to accept that situation when offered to him; (c) he has neglected to avail himself of a reasonable opportunity of suitable employment.

It is further worth noting that Clause 27 Section (3)(b) eliminates the suitability clause found in Section 20 (b) of the Social Security Act 1975 (itself eliminated in 1989), allowing individuals to be forced into inappropriate or even unacceptable training assignments. It is important to stress this because it introduces the possibility of making the British welfare-to-work system harsher than either the American or Swedish systems. Both require counselors to take into account the goals and experiences of individuals before making work or training assignments.²⁶

²⁶For an example of opposition to the Clause based on this omission see: Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988, col. 757.

B. Clause 26

1. Trainee Status Not Employees

Under the 1981 OBRA participants in any welfare-to-work program, including CWEP and Work Supplementation, were not considered employees. Specifically, the 1981 OBRA states: “Nothing in this section shall be construed as requiring a State or local agency administering the State plan to provide employee status to any eligible individual to whom it provides a job position.”²⁷ This philosophy was transferred to Clause 26 of the Employment Act 1988. Specifically, Clause 26 allows the Secretary of State to designate participants in Government sponsored training programs as trainees, eliminating the legal rights guaranteed to regular employees.²⁸

It is worth quoting extensively from Henry McLeish because he links Clause 26 to the emergence of a British welfare-to-work system and American welfare-to-work programs:

I emphasize that, if the Government are going down the workfare road...For instance, the Under-Secretary of State said that participants on the new programme would be designated trainees...I have one simple point: although American experience of workfare against the background of social welfare culture there has been successful in some states, in others it has been disastrous.²⁹

2. Guaranteed Protection

The Government’s reliance on the US as a model for Clause 26 is suggested in the protections guaranteed participants of employment and training programs. Both the 1981 OBRA and 1988 FSA required States to ensure: “appropriate standards for health, safety, and other conditions applicable to the performance of

²⁷US Government, 1981 Omnibus Budget Reconciliation Act.

²⁸See: HMSO Employment Act 1988, Section 26 (1)(a).

²⁹Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988, col. 751-752.

work,” were established since participants were not to be considered employees.³⁰ Furthermore, both prohibit program administrators from violating any federal anti-discrimination legislation. These exact guarantees were repeated by British Government Ministers during Parliamentary and Standing Committee Debates. For example, Norman Fowler stated:

The participants will not be afforded all the protections that goes with being an employee, but we made it clear in Committee that they are regarded as trainees. Therefore, we expect and require that such health and safety and discrimination measures should be carried out.³¹

C. Limited Refusal

During the Standing Committee Stage of the Employment Act 1988 the Government revealed its intention to allow individuals to refuse work or training offers ‘a few times,’ before calling into question their availability. Although this provision was not necessarily transferred from Sweden, this is exactly how the Swedish system operates. As John Burton discussed: “it appears that there is an uncodified rule in the Swedish Employment Offices that a claimant may generally be allowed to refuse job/training offers twice but not more than twice.”³²

In combination, the refusal allowance and the Restart program began developing the link between benefits and the participation in a work or training program. As Mcleish argued:

Clearly it [Clause 27] identifies a positive merging for the first time of the social security benefit system with the provision of temporary work

³⁰1981 Omnibus Budget Reconciliation Act; 1988 Family Support Act.

³¹Parliamentary Debates (Hansard) Official Record House of Commons, 16 February 1988, vol. 127, col. 831. It should be noted that these protections were necessitated by the introduction of the Trainee status of program participants and thus might have arisen from internal need as much as policy transfer.

³²J. Burton, Would Workfare Work, p. 20.

and temporary training programmes. To use an ugly word, it is workfare. The concept has been imported from the United States.³³

As will be discussed below, this link was completed with the introduction of the Employment Training program and the actively seeking work provisions of the Social Security Act 1989.

III. THE SYSTEM CONGEALS: BRITISH EMPLOYMENT TRAINING SCHEME (ET)

On 28 January 1987, Kenneth Clark announced the national extension of the new Job Training Scheme (JTS). The Government based this decision on the 'success' of nine pilot programs initiated in October 1986.³⁴ I stress JTS because it was the predecessor of the Employment Training Scheme and because participants were paid the same rate as their benefit entitlement.³⁵ This made JTS the first welfare-to-work program in Britain explicitly to link the receipt of benefits and training; the hallmark of American and Swedish welfare-to-work programs.³⁶

When announcing the extension of JTS, Kenneth Clark commissioned the study which informed ET. I note this because it is suggestive of the Government's desire to introduce an American style welfare-to-work program a year before the announcement of ET. Moreover, in commissioning the report Norman Fowler set the parameters for the MSC study.³⁷ As should be expected, on receiving the MSC recommendations the Government announced its intention to implement the ET

³³Parliamentary Debates (Hansard) Official Record House of Commons, 10 February 1988, vol. 127, col. 419.

³⁴Parliamentary Debates (Hansard) Official Record House of Commons, 28 January 1987, vol. 109, col. 338.

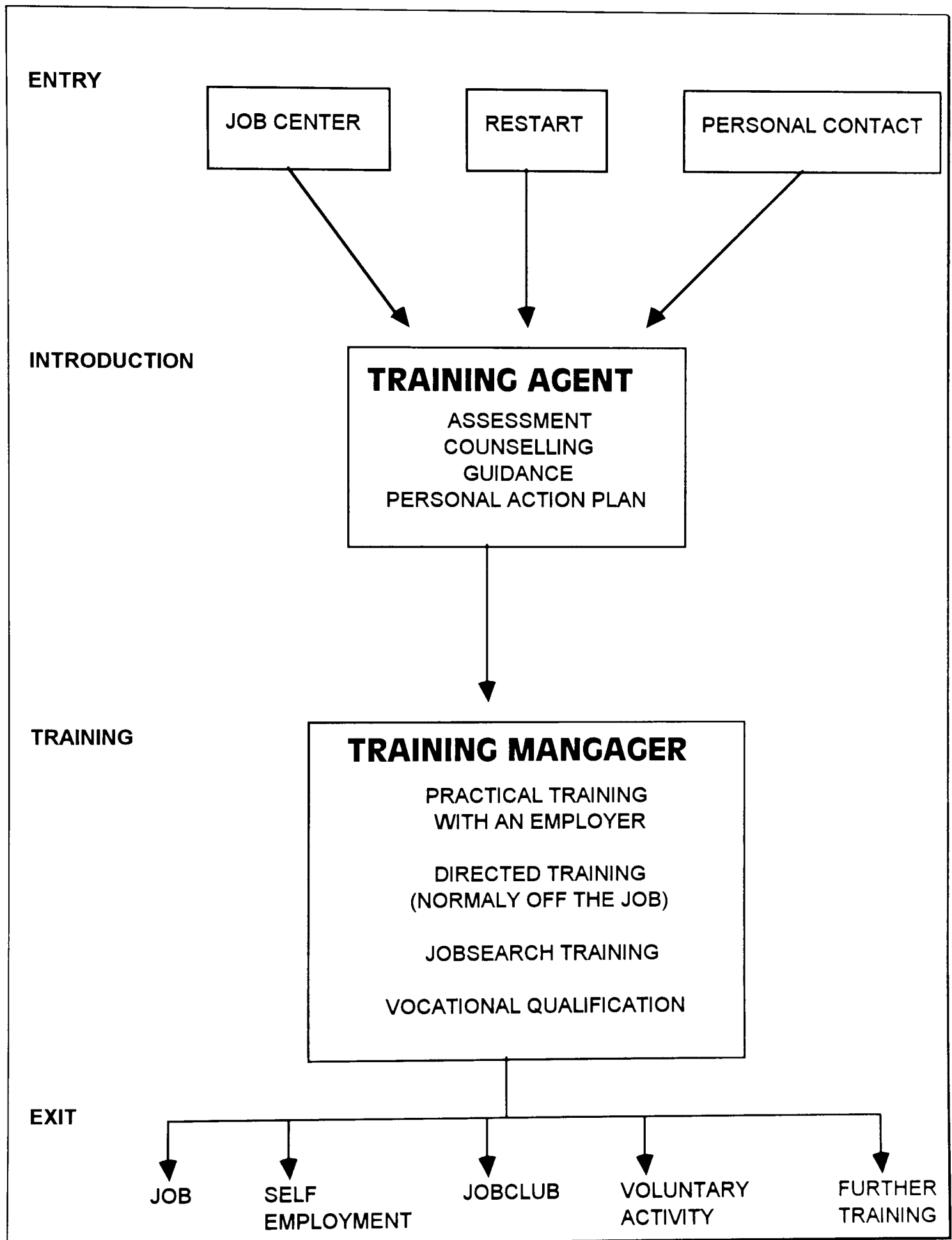
³⁵The payment of JTS participants was referred to as a training allowance even though it was simply their benefit entitlement.

³⁶It should also be noted that to induce participation within JTS the government altered the rules for entering the Community Programme. Previously anyone 18 to 24 qualified for CP after 6 months. After the introduction JTS this was increased to 12 months, while 18 to 24 year-olds had to be unemployed for 6 months to qualify for JTS.

³⁷As Claire Short noted: "[he] set down the parameters; he wrote to the Manpower Services Commission...The commission has come up with the best possible deal that can be got within those parameters." Parliamentary Debates (Hansard) Official Record House of Commons, 10 February 1988, vol. 127, col. 417.

Scheme, in the White Paper, *Training for Employment*, Cm 316. Briefly, ET combined the Community Programme, the new and old JTS, the Voluntary

Figure 1



Source: adapted, *Employment Gazette*, 96: 8 (August, 1988), p. 447.

Projects Programme and the Wider Opportunities Training Programme into a single welfare-to-work program.³⁸

A. The Program

In this section I will demonstrate that the Government transferred the fundamental aspects of the Employment Training Scheme from American welfare-to-work programs. Of particular importance were: Massachusetts' ET program; California's GAIN program; Baltimore's Options program; and New York's Comprehensive Employment program. Additionally, the key elements of the 1988 FSA are reflected in the Employment Training Scheme. Finally, it is also worth noting that the American influence on ET extended beyond program components and ideology to its name, for it is no coincidence Norman Fowler named the Employment Training Scheme immediately upon his return from the US, where he examined the Massachusetts Employment Training Program.³⁹

1. Training Agents

a. American Programs

The first stage of most American welfare-to-work programs, after registration, is an extensive assessment process. With the information gathered during the assessment process, case managers and program participants develop an employability plan. For example, in New York, after an initial eligibility screening: "Trained staff elicit information about the client's education, training, work history, skills and occupational aspirations. Barriers to employment are identified." After this: "Worker and client together develop a plan specifying step by step the training

³⁸It is interesting to note that in the United States, the 1988 FSA combined all the separate programs authorized under the 1981 OBRA into a single federally-funded JOBS program.

³⁹See: Department of Employment, *Employment Gazette*, 96: 5 (1988), p. 265; Parliamentary Debates (Hansard) Official Record House of Commons, 30 March 1988, vol. 130, col. 532.

and other services needed to help the client become economically self-sufficient.”⁴⁰ While the New York legislation does not specify any details about these plans, as a general rule they: “may propose employment search and job development activities for the job-ready, or vocational training (including on-the-job as well as classroom experience), remedial education or work experiences for those without readily marketable skills.”⁴¹

In California: “job and welfare histories are evaluated and recipients are sorted on the basis of prior welfare history...Labor-market conditions...and need for remedial education.”⁴² Based on this evaluation, participants develop a legally-binding contract with their case worker. These contracts specify the activities participants agree to undertake and the services the state agrees to provide.⁴³

Based on the evidence gathered during the two years of welfare-reform hearings Congress mandated this process across the US in the 1988 FSA. Specifically the Act mandates that all welfare-to-work programs should begin with an initial assessment process leading to the development of an Employability Plan. Congress stipulated that Employability Plans were to specify: any services the State agreed to provide; any activity the participant agreed to undertake; and the participant’s employment goal. The 1988 FSA also permitted States to use Employment Plans as a legally-binding contract enforceable through the courts.

b. The British Program

In order to establish the similarities between the initial stage of American welfare-to-work programs and ET, particularly in relation to the role of case managers and Training Agents, it is worth citing from the *Employment Gazette*:

⁴⁰New York Department of Labor/ Department of Social Services, Report to the Governor and the Legislature on Employment Programs for Public Assistance Recipients 1988 (New York: DOL/DSS, 1988), p. 8.

⁴¹New York Department of Labor/ Department of Social Services, Report to the Governor and the Legislature on Employment Programs, p. 8.

⁴²M. Wiseman, “Workfare and Welfare Reform,” in H. Rodgers (eds.), Beyond Welfare (New York: M.E. Sharp Inc., 1988), p. 31.

⁴³While not directly related, it should also be noted that the GAIN legislation provides that if either the State or program participant believes the other’s contractual obligations are not met they can be brought to court. See: D. Finn, “Poor America: Workfare in the 1990s,” Unemployment Bulletin, 34: (1990), pp. 7-15, esp. p. 12.

For the individual the first stage is an objective assessment of his or her existing skills, experiences and ambitions. This will normally last a few days and will be carried out by a Training Agent who will help the trainee to relate this realistically to available employment opportunities...Following on from this initial assessment a personal action plan will be prepared setting out the agreed training to be undertaken and the competencies which the trainee should aim to achieve.⁴⁴

As in the US, ET participants go through an initial assessment of their work experience, educational attainments and goals. With this information, Training Agents develop a personal action plan specifying the same information as American employability plans.⁴⁵

2. Training managers

As Chart one illustrates, after the initial appraisal process individuals are referred to 'Training Managers' responsible for delivering any work or training services agreed in a participant's 'Personal Action Plan.' This process was transferred directly from the US. In both the 1981 OBRA and the 1988 FSA, States were authorized to contract with private and public organizations to deliver program services. For example, in Baltimore's Options program, the State's Department of Health and Human Services acts as a gateway to services, they contract with other organizations to provide everything from job search training to employment services.

The process of contracting out services to other organizations was established in Cm 316. Rather than having Training Agents provide program components to

⁴⁴Department of Employment, "Coming Up to the Start--the Employment Training Programme," *Employment Gazette*, 96: 8 (1988), pp. 444-448, p.445.

⁴⁵It should be noted that Personal Action Plans, are not the same as 'Back to Work Plans.' While they both originate in American Employability Plans, Back to Work Plans are negotiated with New Claimant Advisors when first signing on for benefits and continually updated. Personal Action Plans are unique to the Employment Training Scheme and relate to the agreed upon plan within the program.

participants, the guidelines stipulate that: "Training Managers will be responsible for delivering the training in the programme. They will be appointed by the Manpower Service Commission and they will be able either to provide all the training themselves or to subcontract some of it."⁴⁶ Moreover, as in the US, Training Managers provide participants with the 'individually' designed work and training programs stipulated in their Personal Action Plans.

It is also worth noting that, as in the US, training can involve work. The Program only requires Training Managers to ensure 40 per cent of a participant's time is spent in training activities, the other 60 per cent can involve work, or 'Practical Training.' This further links ET to the design and philosophy of American welfare-to-work programs.⁴⁷

3. Target Groups

a. Poorly Educated

The core target groups of ET, 18 to 24 year-olds unemployed over six months but under 12 and 25 to 50 year-olds unemployed over two years. These age qualifications were transferred from previous programs. However, two new target groups are worth mentioning because it appears that they were included because of American findings and experiences rather than as a remit of indigenous concerns. Concern over educational achievements amongst welfare recipients and the negative effect it had on their ability to enter the labor market, led Congress to mandate educational programs for every welfare recipient who had not completed high school or its equivalent. Additionally, Congress mandated special courses for welfare recipients for whom English was a second language. In Britain neither the uneducated or those for whom English was a second language received special attention in education or training programs before the establishment of ET.

⁴⁶White Paper, Training For Employment, Cm 316, p. 24.

⁴⁷It is also worth noting that if employers agree to higher a trainee the Government will continue to contribute to the cost of their training or work. I note this for it is very similar to the Work Supplementation Programs legislated in the 1981 OBRA and 1988 FSA. See: White Paper, Training For Employment, Cm 316; US Government, 1981 Omnibus Budget Reconciliation Act; US Government, 1988 Family Support Act.

However, after it became apparent that American welfare-to-work programs were increasingly targeting welfare recipients for education programs, the Government made these groups a target for ET.⁴⁸ As noted in the *Unemployment And Training Rights Handbook*, an individual is targeted for ET if:

You are an unemployed person (but not necessarily continuously unemployed for 26 weeks) who needs literacy or numeracy training because you have ‘problems in writing, reading and numeracy that are a significant obstacle to [your] obtaining suitable employment.’⁴⁹

These rules also apply to anyone: “for whom English for Speakers of Other Languages training is necessary.”⁵⁰

*4. Support Services Mirrored The US Even When They Were Not Needed*⁵¹

Before the development of the 1988 FSA, most State welfare-to-work programs included numerous support services for participants. For example, California’s GAIN program, Massachusetts’ ET program and Baltimore’s Options program provided participants with child care payments to cover their children’s daycare costs. Additionally, all of these programs reimbursed transportation costs or provided free public transportation to participants. Most programs also reimbursed

⁴⁸It should be noted that in addition to the American experience and programs targeting education, the Restart Program highlighted the lack of educational attainment amongst a significant minority of benefit recipients. So, it is possible the combined impact of these findings with American findings and developments lead to the Government targeting these groups for the Employment Training Scheme. See: Department of Employment, *Employment Gazette*, 95: 3 (1987), p. 152; Department of Employment, “Adult Literacy Campaign for Jobs,” *Employment Gazette*, 96: 12 (1988), p. 685.

⁴⁹The target groups were allowed to enter the program before they reached the sixth month of unemployment as required for all other participants. D. Finn and L. Ball, *Unemployment and Training Rights Handbook*, p. 165.

⁵⁰D. Finn and L. Ball, *Unemployment and Training Rights Handbook*, p. 165.

⁵¹It is also worth noting that with ET’s passage lone parents in receipt of income support for at least 26 weeks were also targeted for program participation. The only exception was for parents whose youngest child was not in full-time education. This is important because it suggests the Government learned from the 1988 FSA. However, it should be noted that during the 1980s the entire question of single parents emerged on the Governments agenda. This actually lead to several studies and White Papers into how to reduce the number of lone parents and ways to reduce the State role in their maintenance.

‘work related’ cost, including meals and special clothing or tools. In Baltimore this consisted of a “weekly stipend to reimburse the expense they [participants] incur while in [any] program components.”⁵² In the 1988 FSA, Congress mandated that all State programs provide these support services along with transitional health care benefit.

a. Child Care Payments

ET included all the support services found in American welfare-to-work programs.⁵³ Of particular interest is the inclusion of child care provisions in ET. These payments were unnecessary because the British social security system eliminates the participation requirements of most welfare-to-work provisions until an individual’s youngest child is in full-time education. So the requirement that single parents receive £50 per week toward their child care costs suggests that British policy makers transferred this provision from the US.

b. Transportation

i. costs

As in American welfare-to-work programs, ET reimburses participants’ travel expenses. I note this even though several prior programs, including Restart and CP, reimbursed travel expenses because, when ET was announced the Government intended to provide £10 on top of benefits with a £5 deduction for work related expenses. As debate advanced the Government settled the question of support payments by shifting the £5 deduction from work expenses to travel expenses. It is important to stress this shift because it linked ET to the operation and design of American welfare-to-work programs. While the Government insisted participants were receiving £10 on top of their benefits, so that it was not workfare, the top-up is

⁵²D. Friedlander, G. Hoerz, D. Long, J. Quint, B. Goldman and J. Gueron, Maryland: Final Report On The Employment Initiatives Evaluation (New York: MDRC, 1985), p. 14.

⁵³The only major exception was the health care provisions of the 1988 FSA, which were unnecessary within the British system for the NHS provided all the medical coverage Congress mandated States provide JOBS participants.

only £5, which is indistinguishable from the philosophy of working or training for benefits. This was noted by Michael Meacher:

Before the Minister concludes, may I raise one or two points? The scheme may not exactly resemble workfare but it is a close proximity. When one takes account of the fact that £5 of work expenses are not covered by the £10 over benefit, that leaves only £5 over benefit. That closely resembles workfare.⁵⁴

ii. time

Similarly, the Government conceded that traveling time should be limited as in American programs. Specifically, the 1988 FSA stipulated that participants could not be required to travel 'an unreasonable distance' to a work or training assignment. This was interpreted as a two hour travel limit by the Department of Health and Human Services. Despite the differences in size between Britain and the United States (even individual States such as California) Government acknowledged that traveling time was a good cause for refusing employment and training opportunities. Moreover, as in the US the Government decided that: "In most circumstances, travel of more than one hour each way will count as a good cause for refusing a job."⁵⁵ This clearly suggests that the Government's adopted American guidelines. Especially given that the travel limitation was the same in both systems even though it was not as necessary in the British context.⁵⁶

⁵⁴ Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988, col. 753. It should be noted that if the Government had retained the deduction in work expenses and not travel expenses it is possible numerous participants would not have lost it as many training and work experience programs would not have involved work related expenses. See Parliamentary Debates (Hansard) Official Record House of Commons, 10 February 1988, vol. 127; Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988, col. 746 and 758.

⁵⁵D. Finn and L. Ball, Unemployment and Training Rights Handbook, p. 80.

⁵⁶Unlike the United States, participants in the Employment Training Scheme could be required to under take training away from home as long as the Government reimbursed lodging expenses. See: White Paper Training for Employment, Cm 316, p. 27.

c. Work Related Benefits

As in the US, participants in ET were entitled to work related expenses. However, the Government adapted these provisions so that instead of reimbursing every participant for their training expenses, as in the US, the Government prohibited Training Managers from charging participants for any legally required safety or clothing items.⁵⁷ This said, if the assignment required the purchase of any 'special' clothing or tools the Government guaranteed "assistance towards necessary costs."⁵⁸

5. Trainee Status And Rights

As in American welfare-to-work programs, ET participants were designated trainees not employees.⁵⁹ As stated in Cm 316:

Participants on the new programme will be trainees, not employees. However, the Government intend to provide that, as is the case currently with YTS trainees, participants on the programme have the same protection as employees for the purposes of health and safety legislation. In Addition...against discrimination under the Sex Discrimination Act 1975 and the Race Relations Act 1976.⁶⁰

I include this because, it suggests that another aspect of ET, was developed based upon the ideology and operation of American welfare-to-work programs.

⁵⁷See: D. Finn and L. Ball, Unemployment and Training Rights Handbook, p. 181-182.

⁵⁸White Paper Training for Employment, Cm 316, p. 27. I want to stress that these provisions while new to the British welfare-to-work system were not necessarily transferred directly from the US. The Government might have been inspired or convinced to include these provisions as it became apparent they were an important part of the American program rather than transferring the idea. I stress this because training expenses are a universal phenomenon which the Government would have to address regardless of the American programs. Yet since the Government actively borrowed from America in the design of the ET program they would have been aware of American solutions to training expenses.

⁵⁹Recall, Clause 26 of the Employment Act 1988 permitted the Secretary of State to designate the status of participants on government sponsored training programs.

⁶⁰White Paper Training for Employment, Cm 316, p. 25.

B. Implementing Agencies: The PIC Link!

As I will show in the following chapter, there is considerable evidence that the Government modeled the agencies responsible for ET (in England and Wales Training and Enterprise Councils (TECs) and Local Enterprise Companies (LECs) in Scotland), on American private industry councils (PICs). For the purposes of this section I just want to mention that extent to which PICs influenced the development of TECs and LECs is suggested in Norman Fowler's decision to second Cay Stratton from the Boston PIC Program to the Department of Employment. In fact, the Department admitted that her initial purpose was to help develop and implement TECs and LECs.

C. Re-Circulation Of Individuals

As indicated in Chart one, if an individual has not found a job after completing their action plan they re-circulate through the system. This is a key characteristics of American welfare-to-work programs. For example, in GAIN: "Following the completion of the services component, the participant reverts to job search. If still jobless, his next step is long-term (12 months) advanced preemployment preparation; then, if no job is found, a new contract is drawn up."⁶¹ Emulating the US, when establishing ET the Department of Employment declared:

Some trainees may not have a job immediately available as they complete their training, such people will be able to join a Jobclub, to enter some other form of training or education, or if their 12 months' entitlement within the programme has not fully elapsed, to continue in further training elsewhere in the program.⁶²

⁶¹M. Wiseman, "Workfare and Welfare Reform," p. 32.

⁶²White Paper Training for Employment, Cm 316, p. 26. Again it must be stressed that this provision was not necessarily due to the process of policy transfer but practical considerations of what to do with individuals if and when training ended.

V. WELFARE-TO-WORK EXISTS⁶³

As the above section indicates, ET introduced an American welfare-to-work program into the United Kingdom. With ET, the Government transferred the philosophy, structure and implementation of the key American welfare-to-work programs.⁶⁴ Moreover, in this process it is important to remember that while not mandatory, Restart staff were under directions to push individuals into ET. This link, combined with Ministerial statements qualifying the voluntary nature of ET by noting that the program was subject to the availability-for-work rules found in the Social Security Act 1975, further developed the welfare-to-work system.⁶⁵ In fact, by linking ET to the Restart Programme, these statements indicate that the welfare-to-work philosophy was being incorporated into the British welfare system. As Michael Meacher stressed:

The Government could use the restart interviews and the effective recruitment targeting for schemes to ensure those two groups [18 to 25 year-olds and 25-50 year-olds] were offered a place on a scheme. Introducing working for benefit on adult schemes would then come into operation.⁶⁶

Finally, I want to stress that even given the Government's denials that ET constituted a welfare-to-work program 'because it was voluntary,' compulsion was not a necessary element of American welfare-to-work programs. For example, the

⁶³Before moving on it is worth noting another interesting similarity but not necessarily transfer is that with America's implementation of JTPA and the British implementation of ET the Governments shifted the emphasis from public sector employment programs to training programs.

⁶⁴For an example See: C. Short, "A Scheme That Helps the Unemployed," *Guardian*, 25 February 1988, 18: 3.

⁶⁵For example see: Parliamentary Debates (Hansard) Official Record House of Commons, 11 April 1989, vol. 150, col. 450; Parliamentary Debates (Hansard) Official Record House of Commons, 12 February 1990, vol. 167, col. 78.

⁶⁶Parliamentary Debates (Hansard) Official Record Standing Committee F, 26 January 1988, col. 758.

Massachusetts ET program was ‘completely’ voluntary (For more information see: Appendix A).⁶⁷

V. THE CRYSTALLIZATION OF THE UK WORKFARE SYSTEM: SOCIAL SECURITY ACT 1989

With the implementation of Sections 10-12 of the Social Security Act 1989, the creation of the British welfare-to-work system was complete. Section 10 implements ‘actively seeking’ work rules. Specifically, this Section: parallels the operation of American welfare-to-work programs; emulates the Swedish welfare-to-work system; and draws on British regulations operating in the 1920s. Section 11 enhances the workfare nature of the Act by altering the re-qualification rules to link recent work experience to the re-qualification of benefits. Section 12 alters the benefit disqualification rules to link the acceptance of work to the receipt of benefits.

A. Section 10

1. Actively Seeking Work

In the White Paper *Employment for the 1990s*, the Government announced its intention to introduce ‘actively seeking’ work legislation to prevent benefit recipients from abusing the social security system. The Government implemented this change in Section 10 (1-4) of the Social Security Act 1989. Specifically Section 10 (1) states: “Section 17 of the principal Act...shall have effect with the amendments made by subsections (2) to (4) below, which are made for the purpose of requiring a claimant for unemployment benefit to show that he is actively seeking employment.”⁶⁸

The Government’s decision to implement ‘actively seeking’ work legislation can be traced to: The American and Swedish welfare-to-work; experiences and beliefs; and the desire to remove ‘work-shy’ from the benefit rolls.

⁶⁷ Additionally, 1988 FSA mandated that State cater to volunteers before they accept ‘mandatory’ participants. For a clear indication of how the Government was using the new rules and programs to develop a welfare-to-work system see Appendix A.

⁶⁸ HMSO, Social Security Act 1989 (London: HMSO, 1989), Section 10 (1).

a. Others Do It So Why Not Us?

i. American welfare-to-work models act as the inspiration and justification

While Government rhetoric surrounding American welfare-to-work programs stressed CWEP components, most American studies (which I demonstrated the Government was aware of) noted the primary activity engaged in by welfare-to-work participants was job search. For example, Judith Gueron argued: “just as striking as the increase in participation these programs have achieved is the nature of the obligation. In most cases, it has been confined to job search, with workfare used only in a limited way for a relatively small number of people.”⁶⁹ In fact, MDRC reported that California’s legislature: “continued to reject statewide workfare proposals, emphasizing instead job search assistance, despite the passage of the 1981 Omnibus Budget Reconciliation Act (OBRA).”⁷⁰ Even GAIN emphasized job search before education, training or work requirements.⁷¹

This highlights an important similarity in the function of job search in American welfare-to-work programs and the actively seeking work rules of the British welfare-to-work system; they require a period of active job seeking before individuals are required to enter into the welfare-to-work program proper. In US programs this was for a minimum of three weeks. For example, in Wicomico County, Maryland, the Basic Employment Training Project required participants to proceed: “though a three-week job search component, after which they may enter a GED program vocational training, or a 13 week assignment to a work experience position.”⁷² In Britain this is reflected in the six month period of active job search before an individual enters the Restart Process.⁷³

The attractiveness of American job search programs was enhanced by their purpose: to force individuals to do something in return for their benefits. As

⁶⁹J. Gueron, Reforming Welfare With Work (New York: Ford Foundation, 1987), p. 29.

⁷⁰B. Goldman, D. Friedlander, D. Long, M. Erickson, and J. Gueron, Final Report on the San Diego Job Search and Work Experience Demonstration (New York: MDRC, 1986), p. 4.

⁷¹M. Wiseman, “Workfare and Welfare Reform,” p. 31; D. Finn, “Poor America,” Unemployment Bulletin, 34 (1990), p. 12-13.

⁷²D. Friedlander, G. Hoerz, D. Long, J. Quint, B. Goldman and J. Gueron, Maryland: Final Report On The Employment Initiatives Evaluation, p. xii.

⁷³Again it must be noted that in either country benefits can be suspended if individuals refuse to participate in the job search components of the welfare-to-work system.

discussed in Chapter six, this was a key objective in the Government's decision to develop a welfare-to-work system. Moreover, most programs justified the use of job-search as a means of reserving expensive components for those who could benefit from them most. As the Director of San Diego's Employment Preparation Program argued:

it made sense to design a program in which scarce and expensive resources...are saved for those who are most likely to benefit from them. Essentially, this suggests that a program should concentrate on job search...and test the job market before committing more expensive, long term resources.⁷⁴

This fitted into the Government's desire to constrain the social security budget and reduce the PSBR.⁷⁵

ii. Sweden welfare-to-work model

While American welfare-to-work programs acted as a inspiration and justification for the development of the actively seeking legislation, Swedish welfare-to-work regulations appear to be the model policy makers used. In "Would Welfare Work?" John Burton argued that in Sweden: "The claimant has to show up at intervals decided by the Employment Officer and 'show signs of actively seeking a job.'" Moreover, he indicated: "There is no hard-and-fast rule on what this means."⁷⁶ It is important to note John Burton's findings for not only did the Government adopt the same name, 'actively seeking work,' but the regulations operate exactly as in the

⁷⁴R. Koenig, "An Insider's View of the San Diego Evaluation," Public Welfare, (Fall, 1990), pp. 13-18, p. 18.

⁷⁵While beyond the scope of this study it should be noted that since 1990 the Government has introduced numerous job search activities resembling the specific job search program in the US. For example anyone unemployed for over three months qualifies for the Job Search Seminar Program, a mini job club. Similarly the Job Review workshop helps individuals match their skills to existing openings. Though the program is aimed at 'professionals, executives, and administrators.' For more information see: DE, Just The Job.

⁷⁶J. Burton, Would Workfare Work?, p. 20. See also: A. Digby, British Welfare Policy (London: Faber and Faver, 1989), p. 13.

Swedish system. As in Sweden, the Government refused to specify what constituted an appropriate activity for the purposes of the actively seeking work regulations. Instead the regulations specify that an individual must take the steps which are reasonable in his case and offer him the: “best prospects of receiving offers of employment.”⁷⁷ So, as in Sweden it is left up to individual councilors and adjudication officers to determine whether a particular activity is acceptable as fulfilling the actively seeking work regulations.⁷⁸

iii. Government statements: the proof is in the pudding

It should also be noted that Government officials repeatedly drew comparisons with other countries to justify the enactment of the actively seeking work regulations. For example, during the Standing Committee stage of the Social Security Bill 1989, Nicholas Scott argued: “As I have said, many other countries have similar or tougher provisions.”⁷⁹ In fact, Margaret Beckett noted during the Second Reading of the Bill that the Government had instructed Conservative members to draw upon overseas comparisons: “I am not surprised that the hon. Gentleman raises the issue of what is done elsewhere, because it is included in the Central Office brief.”⁸⁰

However, the most convincing evidence that the Government based its decision to implement the actively seeking work legislation on the American and Swedish welfare-to-work programs was provided by Timothy Eggar:

My Department financed a study of workfare...published in 1987 under the title ‘Would Workfare Work?’. Since the study was undertaken, the Government have introduced a number of measures; most recently

⁷⁷Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1080.

⁷⁸For a detailed description of the legislation see: D. Finn and L. Ball, Unemployment and Training Rights Handbook, p. 53-63.

⁷⁹Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 170.

⁸⁰Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 736.

in the Social Security Act 1989, to require unemployed people to seek work actively as a condition of receiving unemployment benefits.

Mr. Eggar's statement directly implies that the Government developed a welfare-to-work system and that the actively seeking work legislation was the most recently enacted element of this system.

b. We Did It Before, Why Not Again?

While the Government used overseas examples to justify and designed the actively seeking work regulations they also drew upon the past.⁸¹ During the 1920s, benefit recipients were subjected to similar actively seeking work regulations. Margaret Beckett highlighted the Government's use of the 1920's legislation during Standing Committee and Parliamentary Debates. It is worth citing from one of Mrs. Beckett's statements because she links the actively seeking work rules to the 'genuinely seeking work' rules of the 1920s. Moreover she stresses that, in adopting these rules, the Government removed the safeguards to enforce the emerging welfare-to-work system:

The Government are reintroducing a test from the 1920s, which, indeed, was abolished in 1930...the test was introduced not to help people to find work...but to limit the cost of supporting the unemployed...[however] they introduced the test alongside safeguards intended to prevent its unreasonable use. The test in this Bill has not only had those safeguards removed, but the entire onus of the test is reversed. *Let no one say that the Conservative party has learnt*

⁸¹For several years prior to the introduction of the Actively Seeking Work regulations, it is apparent the Government intended to introduce these regulations. See: Parliamentary Debates (Hansard) Official Record House of Commons, 31 March 1987, vol. 113, col. 886; Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144; Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989; White Paper, Training for Employment, Cm 540.

*nothing in the 60 years since the test of genuinely seeking work was abolished--it has learnt how to make it harsher.*⁸²

i. opponents use lessons differently

The debates surrounding the use of the 1920's genuinely seeking work legislation illustrates another aspect of policy transfer. Opponents use the same lessons differently. The Government used the 1920's legislation to defend the introduction of the actively seeking work legislation. On the other side, as illustrated in Mrs. Beckett's testimony, Opposition members used the same information to demonstrate its frailties.⁸³

c. Why Implement? Kick The Buggers Out!

As discussed above, it must be emphasized that Government continually justified the necessity of introducing the actively seeking work regulations to remove the 'work shy' from the benefit system. I note this, for, as discussed, these attacks drew on American experiences and the past, to argue that a significant minority of the population did not want to work and were cheating the country out of benefit payments. As Mrs. Beckett stressed:

the proposals in the clause are rooted in the collective gut instinct of the Government...that the unemployed are responsible for their unemployment--that they caused it, that they could end it fairly easily if

⁸²Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 724. Emphasis added. See also: Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989, col. 159. During this debate Paul Flyn admitted that the Government used the 1920 legislation to develop the actively seeking work regulations of the Social Security Act 1989.

⁸³For example see: Parliamentary Debates (Hansard) Official Record Standing Committee F, 31 January 1989; Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144.

only they really tried, and that their unemployment...*is a symbol somehow of their success at exploiting others.*⁸⁴

In *Training for Employment*, the Government actually linked the necessity of introducing the actively seeking work regulations directly to its desire to eliminate benefit cheats by noting: “a substantial number of benefit claimants were not immediately available for work, or were not looking for work.”⁸⁵

d. Workfare Is Here To Stay

As in the United States and Sweden, the Government explicitly linked the actively seeking work regulations to an individual’s participation in government sponsored welfare-to-work programs. This constituted one of the final stages in creating an integrated welfare-to-work system such as operated in the United States and Sweden. Specifically, during Parliamentary Debates it emerged that:

Although participation in employment schemes will be formally voluntary, a claimant can demonstrate his active job search by joining a scheme. The regulations specify that the actively seeking work condition is satisfied by application for or acceptance on a course or programme that the Secretary of State has specified and considers will improve the prospects of that person obtaining employment or becoming self-employed.⁸⁶

This clearly suggests that the Government introduced the actively seeking work regulations to help develop the British welfare-to-work system based on their understanding of the American Swedish welfare-to-systems.

⁸⁴Parliamentary Debates (Hansard) Official Record House of Commons, 26 April 1989, vol. 151, col. 975. Emphasis added.

⁸⁵White Paper *Training For Employment*, p. 33.

⁸⁶Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1079. See also, L. Burghes, “Workfare: Lessons from the US Experience.” In N. Manning and C. Ungerson (eds.) *Social Policy Review 1989-90* (Harlow: Longman, 1990), pp. 169-186, p. 185.

B. Section 12: And Now There Was Workfare⁸⁷

The link between the acceptance of work or training and the benefit system, was fully developed in Section 12 of the Social Security Act 1989. In fact, in combination, the provisions of Sections 10 and 12 are considerably more punitive than either the American or Swedish welfare-to-work systems. Furthermore, Sections 10 and 12 combine to fulfill the Government's desire to impose market discipline in the benefit system.⁸⁸ Finally, Section 12 completes the development of a unique British workfare program by using of the benefit system to force individuals into regular employment, not government sponsored work or training positions.

1. Removal Of The Suitable Employment Regulations

Before the passage of the Social Security Act 1989, benefit recipients could refuse offers of employment if they were not 'suitable' to their skills, experiences and goals. This principle dated back to the 1920s when Parliament passed the clause to ensure individuals would not be forced into any job due to the 'genuinely seeking work' rules. The principle of suitability was carried forward into the Social Security Act 1975, which stipulated that no individual could be denied benefit unless: "a situation in any *suitable* employment has been properly notified to him" or if "he has neglected to avail himself of a reasonable opportunity of *suitable* employment."⁸⁹ Section 12(b) of the Social Security Act 1989 eliminated this 70 year-old principle.

⁸⁷I use complete not completed for recall the requirement to attend the Restart Course was implemented a year later and as will be discussed next chapter the collection and enforcement of child support payments which formed Part I of the 1988 FSA was implemented into the United Kingdom in the Social Security Act 1990.

⁸⁸A further link between market discipline and the benefit system, I will not be discussing, came with Section 11 of the Social Security Act 1989. Section 11 linked recent work experience to the benefit qualifying rules by requiring individuals to satisfy re-qualification conditions in 13 of the preceding 26 weeks before claiming benefits. This combined with Section 6 of the Social Security Act 1988 requiring contributions or credits in the most recent two years and actual work contributions in one of the two most recent years linked the receipt of benefits to recent work experience. As should be apparent this imposes a dramatic linkage between the benefit system and the labor market. See: HMSO, Social Security Act 1988, Section 6, (1-4); HMSO, Social Security Act 1989, (London: HMSO 1989), Section, 11.

⁸⁹HMSO, Social Security Act 1975, Section 20 (1)(b-c). Emphasis added. See also: Section 20 (d).

Specifically the Act states: “In paragraph (b), (c) and (d), for the words, ‘suitable employment’ there shall be substituted the word ‘employment.’”⁹⁰ This clause clearly represents a shift in the policy to force benefit recipients out of the system and into jobs. While the goal of American and Swedish welfare-to-work programs is to help individuals enter full time employment and prevent benefit fraud, neither system developed mechanism to force individuals to accept ‘any’ job.⁹¹ While Section 12 (b) implements the underlying philosophy of American and Swedish welfare-to-work programs it moves beyond either system into a uniquely British interpretation of ‘workfare.’⁹²

2. The Elimination Of Good Cause Provisions

When eliminating the suitability provisions from the Social Security Act 1975, the Government made comparable changes to the ‘good cause’ provisions of the Act. These changes further increasing the link between the receipt of benefits and an individual's willingness to accept employment. In fact, during the Third Reading of the Social Security Bill 1989, Nicholas Scott directly linked the Government’s intention to alter the good cause provisions to its desire to force individuals to prove they had ‘legitimate’ reasons for refusing work assignments:

The Act has removed the concept of the employment service having to prove that employment refused by a claimant was in fact ‘suitable’; the onus will now be on the claimant to show that he had good cause for turning down employment. We think that this is a much-needed change.”⁹³

⁹⁰HMSO, Social Security Act 1989, Section, 12 (b).

⁹¹For example see: 1988 Family Support Act; 1981 Omnibus Budget Reconciliation Act.

⁹²It should also be recognized that by removing the suitability clauses, the Act brought the rules governing benefit disqualification for work into line with those governing training.

⁹³Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1064.

This is important because Section 12 (3)(a-b) provide the Secretary of State with the power to issue regulations as to what ‘matters’ and ‘circumstances’ shall be considered when determining whether an individual has a ‘good cause’ for refusing an opportunity of employment.⁹⁴ This provides the Government with the ability to extend the link between the benefit system and employment by restricting the grounds previously accepted as good cause for refusing employment.

a. The Elimination Of Working Hours From The Good Cause Provisions

During the passage of the Social Security Bill 1989, the Government revealed two further crucial changes to the accepted ‘good cause’ provisions: working hours and the level of remuneration. Since the 1920s it was an accepted rule that people could refuse part-time employment, without risking the loss of benefits. With the implementation of the Social Security Act 1989, the Government made clear this was not longer true. As Mrs. Beckett noted: “The sting in the tail of clause 9 [Section 12] is that any or all the pressures that it imposes can be used to push someone against his will or his best interests into part-time employment.”⁹⁵ The Government’s refusal to include part-time or even seasonal work as a good cause for declining a job opportunity was reinforced by Nicholas Scott refusal to include unreasonably long or anti-social hours as a good cause for refusing employment: “I inquired whether refusal of work on the grounds that the hours were excessive or unsuitable would be regarded as within a persons rights. The Minister refused to give any such undertaking.”⁹⁶ By eliminating the hours of employment from the good cause provisions, the Government intensified the link between the acceptance of ‘any’ job and the benefit system. This further developed the unique British ‘workfare’ provisions within the welfare-to-work system.⁹⁷

⁹⁴Subsection (a) concerns ‘matters.’ Subsection (b) concerns ‘circumstances.’ See: HMSO, Social Security Act 1989, Section, 12 (3)(a-b).

⁹⁵Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 724.

⁹⁶Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1073.

⁹⁷In the final regulations the Government conceded that any job offering fewer than 24 hours a week could be refused. This includes shift jobs offering over 24 hours some weeks but fewer then 24 others. See: D. Finn and L. Ball, Unemployment and Training Rights Handbook, p. 77

b. Remuneration No Longer Was An Excuse For Refusing Employment⁹⁸

Closely tied to the elimination of working hours in the development of the British workfare program, the Social Security Act 1989 prohibited the Secretary of State from including any reference to the level of remuneration as a good cause for refusing employment. Specifically, Section 12 (3) states: “in determining for the purposes of...whether a person does or does not have good cause for any act or omission, there shall be disregarded any matter relating to the level of remuneration in the employment in question.”⁹⁹ This is a crucial provision because the Government refused to guarantee that individuals would not be forced to accept jobs offering less than their benefits. For example, Frank Field asked Nicholas Scott: “Will the Minister confirm...that it would be reasonable for people to turn down jobs if the amount the job pays, plus the family credit that they gain will be less than their benefit received while unemployed?” Nicholas Scott replied: “I cannot give the hon. Gentlemen an undertaking that there might not be an occasional case when that happens.”¹⁰⁰

Moreover, Ministers even refused to guarantee that individuals would not be forced to accept jobs paying illegally low wages. For example, during the Third Reading of the Bill, Frank Field requested: “that people will not be sent for jobs paying below the legal minimum. Will the Minister give that guarantee?” Nicholas Scott responded: “I cannot give the Hon. Gentleman that undertaking.”¹⁰¹

It should be stressed that combining Section 12 (3) with Ministerial refusals to guarantee individuals would not be worse off in employment than on benefits makes the British ‘workfare’ provisions more punitive than any American workfare or welfare-to-work program. Even dating back to the WIN legislation, American programs have stipulated that individuals cannot be paid less than the greater of the

⁹⁸This provision is especially important as the government was in the process of restricting the powers of the wage council prior to their complete elimination just after the passage of the Act.

⁹⁹HMSO, Social Security Act 1989, Section, 12 (3).

¹⁰⁰Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1063.

¹⁰¹Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1065.

State or National minimum wage. Of more importance, all of the American welfare-to-work legislation has stipulated that no individual could be forced into a program if they would be worse off in work than on benefits.

It should be clear that the elimination of the suitability provisions and the restrictions on good cause provisions produced a unique British ‘workfare’ program in the emergent welfare-to-work system. Specifically, the underlying goal of section 12 of the Social Security Act 1989 is to require that in order to receive state benefits an individual must be willing to work: The underlying philosophy of workfare.

c. Do Not Allow Participants To Price Themselves Out Of The Market

I want to conclude this section by stressing that the underlying philosophy of Section 12 was to implement the Government’s desire to insure people did not price themselves out of a job. This desire was captured by John Moore while defending the Act: “The second major element of my proposals for unemployment benefit insures that claimants cannot continue indefinitely pricing themselves out of any job they might realistically be expected to get.”¹⁰² I note this, for as discussed in previous Chapters, this was one of the primary arguments leading to the development of the original welfare-to-work legislation in the United States. Moreover, these argument were used by New Right academics and politicians to support the mandating of participation within the 1988 FSA.¹⁰³

3. Concessions: Inspired Through Necessity And Transferred From The Past

a. The Introduction Of The Rayner Reports Permitted Period

To reduce the impact of Section 12 (1-3), Section 12 (4) introduced the ‘permitted period.’ Specifically, the permitted period allows individuals to refuse

¹⁰²Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 716.

¹⁰³See: Mead, *Beyond Entitlement* (New York: Free Press, 1986); C. Murray, *Losing Ground*, (US: Basic Books, 1984); US Government, “Workfare versus Welfare,” *Hearing Before The Subcommittee On Trade Productivity and Economic Growth of the Joint Economic Committee, 99th Congress, 2nd Session*, (Washington, D.C.: Government Printing Office, April 23, 1986).

official offers of employment for up to a maximum of 13 weeks after entering the benefit system. When an individual first signs-on, their Claimant Advisors determine the length of a permitted period, if any, which is then included in the individual's back to work contract. During the permitted period individuals are free to restrict their job search activities to jobs offering the same pay and condition's as their previous employment. As Nicholas Scott declared: "The claimant will know that for the term of that permitted period he will be at risk of being disqualified only if he turns down jobs in the same field as his previous employment and offering the level of remuneration that he previously enjoyed."¹⁰⁴

While the permitted period does not result from cross national policy transfer the idea was adopted from the 1981 Rayner Report. Briefly, as noted by the Social Security Advisory Committee:

The Report...recommended...that a claimant should be willing within the first three months to take a job comparable to his/her previous job...and that after three months claimants whose last job was manual should be expected to accept any manual work within their physical and mental capabilities, and non-manual workers to accept any non-manual job.¹⁰⁵

The above citation clearly illustrates that the permitted period originated in the 1981 Rayner Report and was transferred into the Social Security Act 1989. It also alludes to the philosophy inherent within the Social Security Act 1989, the need to force benefit recipients to accept any work to receive any state benefit.

¹⁰⁴ Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1016. It should be noted that prior to the Social Security Act 1989 there was no need for the permitted period because while in theory individuals could restrict their job search for only so long, individuals were seldom forced to expand their job search beyond their previous field and conditions.

¹⁰⁵L. Morris and T. Hewelby, Social Security Provisions for the Unemployed (London, HMSO, 1991), p.97.

b. The Trial Period Was Transferred From The SSAC

Section 12 (4) of the Social Security Act 1989 completed the development of unique nature of the British workfare program by allowing any individual unemployed for at least 12 months to leave after six weeks but before 12 weeks without risking the loss of their benefits, due to the voluntary unemployment rules of the Social Security Act 1975. Specifically, Section 12 (4) stipulates:

Regulations shall make provisions for the purpose of enabling any person of a prescribed description to accept an employed earner's employment without being disqualified...should he leave that employment voluntarily and without just cause at any time after the end of the sixth week, but no later than the end of the twelfth week, of a trial period.¹⁰⁶

While the Government claimed the trial period was a 'new concept' it appears that the idea was inspired a few years earlier by the Social Security Advisory Committee's Sixth Report.¹⁰⁷ Members of the Committee noted that:

Claimants contemplating returning to work, perhaps after a prolonged period of unemployment, may be deterred by the fear that if they find the work unsuitable -- and there are many legitimate reasons why they may do so -- they *may* face a limitation on their benefit."¹⁰⁸

This was clearly the idea informing the trial period.

¹⁰⁶HMSO, Social Security Act 1989, Section 12 (4).

¹⁰⁷Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1065.

¹⁰⁸Social Security Advisory Committee, Sixth Report of the Social Security Advisory Committee (London: HMSO, 1989), p. 12. Emphasis in original.

c. Patrick Minford key link?

Finally, it is worth discussing Patrick Minford's proposals here because they appear to have helped inspire, shape and justify the development of the 'workfare' program within the Social Security Act 1989. Specifically, Section 12 appears to utilize his study to develop the workfare program to control the benefit levels and wages.¹⁰⁹ Like most New Right theorist, Patrick Minford links the generosity of the benefit system to the rise in unemployment, arguing that: "there is a significant and powerful total elasticity of real benefits on unemployment."¹¹⁰ In other words when benefits rise unemployment increases. To solve the disincentive effect of rising benefit levels he proposed placing a cap on benefit levels: "designed to exert market pressures on unemployment by *making people willing to take jobs at lower pay...In principle, the state should only provide benefits where the unemployed can get no job, however unpleasant or low paid.*"¹¹¹ To implement this program Patrick Minford proposed the creation of a 'workfare' scheme in which the government offered unemployed individuals a job from a: "pool of jobs...to include all existing jobs notified to job centers."¹¹² After six months of unemployment any refusal of these jobs: "would become sufficient for benefit denial."¹¹³ The similarities between Patrick Minford's 1985 proposals and the operation of the Social Security Act 1989 are readily evident.¹¹⁴

In fact, Norman Fowler illustrated the Government's desire to use the workfare program developed in the Social Security Act 1989 to control the labor market and drive down wage inflation during a speech to the Institute of Personnel Management: "An obvious and clear barrier to jobs is the excessive rise in earnings that we have experienced in this Country: one man's pay rise is another man's lost

¹⁰⁹For example see: N. Ginsburg, Divisions of Welfare (London: Sage, 1992); K. Andrews and J. Jacobs, Punishing the Poor (London: Macmillan, 1990); Parliamentary Debates (Hansard) Official Record Standing Committee F, 21 January 1988.

¹¹⁰P. Minford, et. al, Unemployment: Causes and Cure 2nd ed, (Oxford: Blackwell, 1985), p. 33.

¹¹¹P. Minford, et. al. Unemployment: Causes and Cure 2nd ed, p. 48.

¹¹²P. Minford, et. al, Unemployment: Causes and Cure 2nd ed, p. 49.

¹¹³P. Minford, et. al, Unemployment: Causes and Cure 2nd ed, p. 49.

¹¹⁴As will be discussed in the next Chapter, the use of Patrick Minford's proposals are further evident in the re-integration of the job centers and the unemployment benefit offices. See: P. Minford, et. al, Unemployment: Causes and Cure 2nd ed, p. 49.

job.”¹¹⁵ Of more importance for illustrating the Government’s use of the Act to implement Patrick Minford’s proposals, John Battle revealed that the Government openly expressed its desire to implement the Social Security Act 1989 to place a downward pressure on wage levels:

In Committee, Conservative Members were sent a guide to the Bill by the Conservative party press department. It said that the purpose of the Bill was to ‘ease the rigidities of the labour market’. The notes on clauses explain what that means: ‘the level of remuneration will not be a just cause for turning down a job offer’...The Government are deliberately manufacturing low pay by means of this Bill, and reinforcing the low-wage economy.¹¹⁶

So, while in the United States benefit recipients were forced to accept government sponsored work or training programs, in Britain, to save the cost of offering work programs, the Government developed a unique workfare program, as suggested by Patrick Minford, which forced individuals to accept any officially offered job from a pool of jobs notified to job-centers. Moreover, the Government used the British workfare program to control the labor market and wage inflation by forcing individuals into employment.¹¹⁷

¹¹⁵Department of Employment, “Removing Barriers to Jobs,” *Employment Gazette*, 96: 12 (1988), p. 671. Apparently this does not include management in privatized companies

¹¹⁶Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1009. See also: Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 991. It should also be stressed that while the Government openly manipulated the labor market by forcing individuals into low wage jobs they continually refused to place any conditions on employers, arguing that it was wrong to interfere in the operation of the market. See Parliamentary Debates (Hansard) Official Record House of Commons, 26 July 1989, vol. 157, col. 1072, 1063; and 995.

¹¹⁷I want to stress that against this background, that in the US numerous studies demonstrated benefit recipients were not withholding their labor and in fact had realistic ideas as to the amount they could command for a job. In Britain a study of the London labor market, conducted by the Department of Employment, was used by the Government to justify changes in the Social Security Act. However this study clearly demonstrated: “that people without work were realistic in their expectations of the wages that they may command,” and that: “Most benefit claimants...are keen to work.” Which is just the opposite of how the government wanted to portray benefit recipients See: Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 727. See also: White Paper, *Training for Employment*, Cm 316, p. 31-32; White Paper *Employment for the 1990s*, Cm 540, p. 15, 22-25.

4. The Workfare Program Is Finally In Britain

As the above section demonstrates, the Social Security Act 1989 developed the British version of the American ‘workfare’ program within the overall British welfare-to-work system. In developing this system the Government adopted a more punitive approach than existed in either the United States or Sweden, in which working conditions no longer offered good causes for refusing employment. So, after a maximum of 13 weeks no matter what the pay or conditions, to receive state benefits, individuals had to prove they were actively seeking work every week and that they were willing to accept any officially offered job. As Mrs. Beckett noted: “under clause 9 the norm, the standard, is that the wages and conditions on offer are entirely irrelevant. They are to be ignored in deciding whether someone has a good cause for not seeking or for refusing a job.”¹¹⁸

It is important to stress that the effects of the Act are clearly visible by 1991. For example, according to OECD data, in 1989 only 86 individuals were disqualified for not actively seeking work.¹¹⁹ However, by 1991, the first full year the rules were implemented, this jumped to 5,227 individuals, with 11,832 being referred to adjudication officials for failing actively to seek employment (for more information see Appendix A).¹²⁰

VI. EMPLOYABILITY PLANS¹²¹

One final change to the unemployment system associated with policy transfer worthy of mentioning in this chapter is the Thatcher Government’s introduction of

¹¹⁸Parliamentary Debates (Hansard) Official Record House of Commons, 10 January 1989, vol. 144, col. 725-726.

¹¹⁹OECD Documents, The Public Employment Service IN Japan, Norway, Spain and the United Kingdom (Paris: OECD, 1993), p. 69.

¹²⁰A. Bryson and J. Jacobs, Policing the Workshy (Aldershot: Avebury, 1992), p. 33.

¹²¹One further program associated with the employment system to be transferred were inner-city compacts. These were based upon the Governments understanding of the Boston Compact. For more information see: C. Hayes, A. Anderson and N. Fonda, Competence and Competition (Sheffield: MSC/NEDO, 1984), p. 38 and Parliamentary Debates (Hansard) Official Record House of Commons, 5 July 1989, vol. 156, col. 339.

American employability plans in 1990. In the US numerous welfare-to-work programs used back-to-work plans to guide individuals into employment. For example, in New York welfare recipients were provided with an “Employability Development Plan.” This is a: “written document which specifies the sequential steps to be taken and the employment activities to be provided in the planned series of actions designed to move a recipient from assistance to unsubsidized employment.”¹²² This was transferred to the 1988 FSA. Specifically, the Act requires every State to develop an individualized employability plan for their welfare-to-work participants. These plans were to specify: any services the state was to provide; the participant’s employment goals; and the activities participants agreed to undertake.

Recalling the introduction of American style employability plans Michael Howard stated:

We announced a package of measures to improve the employment service’s claimant advice functions. These include particularly the introduction of “back to work” plans recording specific agreed action at the end of advisory interviews which can be followed up on a regular basis.¹²³

Specifically, when individuals sign-on they are required to meet with a New Client Adviser. Together they will develop a ‘back-to-work’ plan which must be brought to any subsequent interview.¹²⁴ As in the United States, these plans vary from individual to individual but generally include: “a job goal, or goals, and no more

¹²²New York Department of Labor/ Department of Social Services, Report to the Governor and the Legislature on Employment Programs for Public Assistance Recipients 1988 (New York: DOL/DSS, 1988), p. A-3.

¹²³Parliamentary Debates (Hansard) Official Record House of Commons, 25 July 1990, vol. 177, col. 277.

¹²⁴It is worth noting that Claimant Advisors were introduced in 1986 to replace Unemployment Review Officers (UROs). The Government announced the specific desire was to connect ‘all counseling of unemployed claimants about job, training and re-employment opportunities together with responsibility for availability for work testing.’ It is important to note this for it is a further indication of the Government’s introduction of the operational elements of American welfare-to-work programs. As previously discussed both functions are carried out in the United States by a single individual in either the DE or DHSS. See: L. Morris and T. Hewellyn, Social Security Provisions for the Unemployed, p. 96.

than three different types of actions on one plan.”¹²⁵ These actions can vary from searching newspaper want ads, to joining a job club or even pledging to submit a given number of job applications per week. Furthermore, as in the United States, the Department of Employment has instructed NCA’s to keep back-to-work plans as simple as possible, ‘particularly for less able clients.’¹²⁶ Individuals continually review and update back-to-work plans at their Restart interviews until their second year of unemployment

Before concluding this chapter it should be noted that, according to Department of Employment guidelines, the first job of the New Client Advisers before ever entering an agreement with a claimant is to police the benefit system. Specifically, the employment service issued instructions to New Client Advisers stating: “the role of the NCA is to contribute to the reduction of unemployment by ensuring that those clients who claim benefits are eligible to so...The object of the NCA interview is to ‘place the client before acceptance into the payment system.”¹²⁷ This clearly links the social security system to the underlying philosophy of American welfare-to-work programs.

CONCLUSION: BRITAIN HAS A WELL DEVELOPED WELFARE-TO-WORK SYSTEM WITH A UNIQUE WORKFARE PROGRAM BUILT IN!

This chapter has demonstrated how the Government used American and Swedish welfare-to-work programs to develop a welfare-to-work system within the United Kingdom. Specifically, I have demonstrated that the Government had ample information on the American and Swedish programs and used this information to develop the key components of the British welfare-to-work system. The first major program developed as a result of policy transfer, both internal and external, was the Government’s decision to make the receipt of state aid for 16 and 17 year-olds

¹²⁵Department of Employment, quoted in: D. Finn and L. Ball, Unemployment And Training Rights Handbook, p. 90.

¹²⁶As discussed, back to work plans also contain information regarding an individuals permitted period.

¹²⁷Department of Employment, quoted in: D. Finn and L. Ball, Unemployment And Training Rights Handbook, p. 89.

conditional upon their participation in YTS. From here I demonstrated that the Government developed Clause 26 and 27 of the Employment Act 1988 based on their understanding of American welfare-to-work programs. I also illustrated how ET and its key provisions were based on the operations and components of the key American welfare-to-work programs and the 1988 FSA. While I will examine TECs and LECs at length in the next Chapter, I began illustrating how the design of TECs and LECs was modeled upon the ideology and structure of American PICs. Finally, I showed how the Social Security Act 1989 fully developed the British welfare-to-work system. Additionally, I demonstrated how Section 12 of the Act instituted a unique British form of workfare based on the recommendations of Patrick Minford, the underlying philosophies of the Thatcher Government and their understanding of American workfare programs.

While the preceding chapters have illustrated ideological and policy transfer, in the following chapter I am going to conclude by illustrating that entire institutions can be transferred from one system to another. Specifically, I will show how the American Job Clubs were transferred directly into the British welfare-to-work program. I will also demonstrate how the design and structure of the reconstituted Employment Service was transferred using a combination of the past, academic proposals and the Swedish welfare-to-work system. Subsequently, I will illustrate how policy transfer clearly was responsible for the development and structure of TECs and LECs. Finally, I will conclude the Chapter by utilizing policy transfer to illustrate how policy makers borrowed from America to develop the structure and design of Child Support Agency.

Chapter Nine

Policy Transfer
Through
The Eyes Of Institutions

INTRODUCTION

In the preceding chapters I demonstrated how Britain and the United States developed their welfare systems during the 1980s. I utilized the policy transfer literature, to reinterpret the development of the national welfare-to-work systems in the United States and Britain. Specifically, I demonstrated how the 1988 FSA developed through the process of internal policy transfer. In these chapters I illustrated that key elements of the Act were transferred from past federal legislation, often word-for-word, and from other levels of government. I also highlighted the role key actors, groups and institutional legacies played in the Act's development. I then demonstrated how cross-national policy transfer enhances our understanding of key developments in British unemployment policies. In these chapters I began by illustrating the Government had an extensive knowledge and interest in welfare-to-work programs. Moreover, I showed that the political and ideological reasons the Government had for transferring elements of these programs. After demonstrating the Government's knowledge and interest in American and Swedish welfare-to-work systems, I indicated how the Government transferred the ideological rhetoric and justifications to develop the political attitudes needed to create welfare-to-work programs in the British welfare system. Finally, I demonstrated how the key policies and programs of the British welfare-to-work system were gradually transferred, modeled on, or inspired by, the ideology and operation of the American and Swedish welfare-to-work systems. Where appropriate, I also illustrated where past legislation and ideas influenced the Government's decisions and actions, particularly in its decision to make state aid for 16 and 17 year-olds conditional on their participation in YTS.

In this chapter I will demonstrate that, policy makers not only transfer ideas, attitudes, policies, inspirations and programs, but also entire institutions. Specifically, I am going to illustrate how the Thatcher Government developed four institutions: Job Clubs; the Employment Service; Training and Enterprise Councils (TECs) and Local Enterprise Companies (LECs); and the Child Support Agency (CSA) based on their understanding of American and past institutional structures.

I. JOB CLUBS

In November 1984 the Government established job clubs in the Durham and Middlesbrough job centers and, soon after, in the Walthamstow job center. These clubs were designed to help individuals unemployed for more than six-months re-enter full-time employment. Specifically, they provided courses on the skills necessary to look for employment and provided the facilities and supplies necessary for conducting job searches. These programs and facilities were provided free of charge for as long as it took to find a job. Based on the success of these initial job clubs, the Government began a pilot program between August 1985 and February 1986 consisting of 29 job clubs throughout the country. After initial, positive findings, and given the growing 'problem' of unemployment, the Government expanded the job club network to over 1,200 clubs by the end of 1987.

A. The United States Shows The Way

Since the introduction of WIN in the 1960s, States have been using job clubs to teach welfare recipients the skills needed to find and retain employment. Briefly, in most American welfare-to-work programs individuals participate in a one to three week job-training workshop. After these courses individuals are provided the space and supplies necessary to engage in an active job search. Depending on the State this job search lasts from a month to an indefinite period.

1. New York

For example, as part of New York's Comprehensive Employment and Work Incentive Programs the state implemented a series of job clubs to assist individuals who had the skills to enter the labor market but were unable to find employment. Specifically, New York established job clubs as:

directed, full-time workshops that teaches recipients how to seek employment by themselves. Participants are given the opportunity

during the workshop to contact prospective employers (usually by phone) and solicit possible job openings, thereby gaining practical experience in using the job seeking procedures learned.¹

The initial step in New York's job clubs is a workshop "typically of one month's duration, which uses peer support to improve job-seeking techniques, solve problems and provide encouragement."² Courses consist of lectures and activities to enhance the participant's self image and motivation and proper personal appearance. From these participants learn how to find job openings, compile a resume and practice interview techniques. In fact: "In many job clubs, practice interviews are video taped and played back so that participants can evaluate each others' performance."³

2. California

In California, the MDRC reported: after the legislature canceled California's CWEP in 1974: "The focus was job clubs, with which both the state and the national Work Incentive (WIN) Program had had favorable experiences."⁴

3. Baltimore

Job club activities were also an essential aspect of Baltimore's Options program. Specifically, during the first week of the Options program individuals attended workshops designed to teach positive work attitudes and build self-confidence. After this initial week, participants could receive further courses on job searching skills and activities followed by an 'indefinite' period of group and

¹New York Department of Labor/ Department of Social Services, Report to the Governor and the Legislature on Employment Programs for Public Assistance Recipients 1988 (New York: DOL/DSS, 1988), p. A-4.

²New York Department of Labor/ Department of Social Services, Report to the Governor and the Legislature on Employment Programs, p. 14.

³New York Department of Labor/ Department of Social Services, Report to the Governor and the Legislature on Employment Programs, p. 14.

⁴B. Goldman, D. Friedlander, D. Long, M. Erickson and J. Gueron, Final Report On The San Diego Job Search And Work Experience Demonstration (New York: MDRC, February 1986), p. 3.

individual job search under the direction of Options Staff.⁵ During the search phase participants are provided with the facilities and supplies needed to discover and contact prospective employers.⁶

B. The Job Club Comes To Britain

Based on the success and popularity of American job clubs, the Government transferred them to the British welfare-to-work system. In fact, the transfer was so complete that it represents one of the few examples of a Government copying a structure from another system into its own. As in American job clubs, British job clubs begin with introductory courses: “designed to increase motivation, restore confidence, introduce members to a range of job-search techniques, improve performance at interview and build a group identity.”⁷ Specifically, after being taught how to develop and produce a CV individuals are instructed in job hunting techniques. After these initial courses, members are taught: “the skills and techniques required to make effective approaches to employers to inquire about vacancies” and complete an application form.⁸ Finally, members are taught and practice interview techniques. After this two week introductory period, members are required to attend their job club for at least four half-day sessions a week, lasting approximately three hours each day. In sessions members agree to pursue up to 10 job leads.⁹ This continues for as long as individuals are unemployed or members of the club.¹⁰

⁵D. Friedlander, G. Hoerz, D. Long, J. Quint, B. Goldman and J. Gueron, Maryland: Final Report On The Employment Initiatives Evaluation (New York: MDRC, 1985), p. 8.

⁶It is interesting to note that several States which had avoided the use of job clubs prior to the 1981 OBRA chose to adopt them in response to the 1981 authorization. For example see: D. Friedlander, G. Hoerz, J. Quint, J. Riccio, B. Goldman, J. Gueron and D. Long, Arkansas: Final Report On The Work Program In Two Counties (New York: MDRC, 1985). Esp, p. 3.

⁷Department of Employment, “Jobclubs: Helping People Help Themselves,” Employment Gazette, 94: 11 (1986), pp. 479-481, p. 481.

⁸Department of Employment, “Jobclubs: Helping People Help Themselves,” p. 481.

⁹For more information see: D. Finn and L. Ball, Unemployment and Training Rights Handbook (London: Unemployment Unit, 1991), p. 215-227.

¹⁰This is how job clubs operate in States where participation is indefinite. In States with limited stay job clubs, participants are required to attend on a weekly basis but for a limited period before entering other welfare-to-work components or being allowed to leave the program.

Finally, as in the United States, members are provided with the resources, supplies and support staff needed to conduct a successful job search.¹¹

C. Government Officials Admit Copying American Designs

As the above section demonstrates the design, organization, functions and even the name of British job clubs was transferred from the US. As Lord Young stated: “My Lords, the Government are studying the American experience of ‘workfare’...We have already applied some of the lessons...For example, job clubs have been very successful in a number of states and have proved equally successful here.”¹² More directly, Kenneth Clark admitted that job clubs were: “based on American experience.”¹³

II. THE EMPLOYMENT SERVICE

On 23 October 1987 Norman Fowler announced the re-establishment of the employment service, within the Department of Employment.¹⁴ Four months later *Training for Employment* explained the Government’s decision to re-establish the Employment Service, arguing: “Many of those who are genuinely unemployed have lost touch with the jobs market. That is why the separate management of the Jobcenter network and the Unemployment Benefit Service no longer makes any sense.”¹⁵ With the establishment of the Employment Service the Government reunited the functions of the MSC job centers and the Department of Employment’s benefit offices.¹⁶

¹¹See: White Paper, Training for Employment, Cm 316 (HMSO: London, February 1988), p. 29.

¹²Parliamentary Debates (Hansard) Official Record House of Lords, 30 April 1986, vol. 474, col. 254. It should also be note that jobclub participation generally fulfills the actively seeking work regulations of the Social Security Act 1989. See: D. Finn and L. Ball, Unemployment and Training Rights Handbook, p. 219-220.

¹³Department of Employment, “Self-Help ‘Jobclubs’ Network for Long-Term Unemployed People,” Employment Gazette, 93: 10 (1985), p. 379

¹⁴For a detailed account of the events leading to the Employment Service see: Parliamentary Debates (Hansard) Official Record House of Commons, 18 December 1987, vol. 124, col. 831.

¹⁵White Paper, Training for Employment, Cm 316 (London: HMSO, February 1988), p. 28.

¹⁶Norman Fowler stated: “The new service seeks to bring together the work of the job centers and the unemployment benefit offices. Its main priority is to tackle the problem of long-term unemployment and make sure that the unemployed get their fair share of the new jobs that the economy is creating.”

As will become apparent, the development of the Employment Service involved, the reinstatement of past institutional structures, and external and internal policy transfer, making it one of the more interesting structures to be developed through policy transfer. However, before discussing these processes it should be stressed that the complete integration of job centers and benefit offices did not occur until April 1990, when the Government converted the Employment Service into a Next Steps Agency.¹⁷

A. Pre-1973

Prior to 1973 the functions of job centers and benefit offices were carried out by Employment Offices. In Employment Offices individuals received Employment Services and advice, collected benefits and had their availability checked. As John Burton stressed, employment officers: “were expected to take an ‘integrated view’ of each claimant, encompassing both their employment record/placement situation and their benefit/entitlement situation.”¹⁸ This allowed one individual to advise claimants on possible employment and training opportunities and ensure they were complying with the availability for employment rules.¹⁹

By the early 1970s the Government began to question the viability of linking the functions of the Employment Service with the distribution of benefits. As reported in *People and Jobs*:

The Employment Service in its present form is not...able to grasp the opportunities which undoubtedly exist in a modern labour market...The task facing the Service is to break out of the situation where employers do not use it because they doubt - somewhat rightly - whether it has

Parliamentary Debates (Hansard) Official Record House of Commons, 10 February 1988, vol. 127, col. 413.

¹⁷For more information see: Department of Employment, Employment Service: A Framework Document for the Agency (London: HMSO, 1990), p. 1-2.

¹⁸J. Burton, Would Workfare Work? (Buckingham: Employment Research Center University of Buckingham, 1987), p. 14.

¹⁹The policing function of employment officers was the responsibility to apply the availability for work tests discussed in previous chapters.

suitable people on its books and where workers seeking jobs do not visit the local employment office because vacancies they want are not notified by the employer.²⁰

To alleviate this situation the Government decided to separate the functions of Employment Offices. The MSC (itself created in 1973) was to assume responsibility for Employment Services in its developing network of job centers, while the Department of Employment was to retain control over benefit offices.

B. Academic Input Into the Decision To Re-institute The Employment Service

1. Patrick Minford

As discussed in the preceding chapters, the Government relied on the recommendations of Patrick Minford and John Burton in developing the British welfare-to-work system. Both concluded that the re-integration of the job centers and benefit offices was a necessary step in this development. Four years before the Government announced its intention to reunite benefit offices and job centers, Patrick Minford argued that British workfare program would: “require the re-integration of MSC job centers...and unemployment benefit offices.”²¹

2. John Burton

After examining American and Swedish welfare systems, John Burton made the same recommendation, even referring to Patrick Minford’s proposals:

The main requirements for establishing such a workfare system in the UK are as follows: (1) The re-integration of benefit, placement, and

²⁰Department of Employment, *People and Jobs* (London: HMSO, 1971). For a good discussion on the operation of the employment service and the role of the Department of Health and Social Security and Department of Employment see: D. King, *Actively Seeking Work* (Chicago: University of Chicago Press, 1995); M. Hill, *Social Security Policy in Britain* (Aldershot: Edward Elgar, 1990), p. 134-136.

²¹P. Minford, P. Ashton, M. Peel, D. Davies and A. Sprague, *Unemployment Causes and Cure*, 2nd ed (Oxford: Basil Blackwell, 1985), p. 49.

controls procedures under the aegis of a single organization...As suggested by Minford, this might be undertaken in the short run by placing DHSS officials dealing with unemployment (such as UROs) and benefit payments back in job centers.²²

It is important to stress that the Government decided against placing the functions of benefit offices into job centers for two reasons. First, they abolished the MSC with the Employment Act 1988.²³ But more importantly, it would have reduced the Government's ability to police the benefit system.²⁴ As Under Secretary of State for Employment, John Lee argued this was one of the Government's key reasons for developing the Employment Service: "the Employment Service...[will] enable us to check more systematically that people claiming benefits continue to be available for work."²⁵

C. Overseas Inspiration

1. Sweden

The use of American and Swedish welfare-to-work systems as an inspiration and model for the British system is especially apparent in the development of the Employment Service. As Anne Digby stressed: "initiatives in employment policy in

²²J. Burton, *Would Workfare Work?*, p. 54.

²³I want to stress that by abolishing the MSC and converting it into the Training Commission the Government completed the process needed to separate the MSC's training functions from its other functions. Specifically, the TC retained responsibility for training programs, such as ET and YTS, until it was eliminated with the establishment of the TECs and LECs, while the employment service took over the MSC's other functions. In fact, the Government justified the Employment Act 1988 as a means of providing the employment service with the authority to carry out its functions as established in *Training for Employment*. See: Parliamentary Debates (Hansard) House of Commons, 10 February 1988, vol. 127, col. 413.

²⁴See: Parliamentary Debates (Hansard) House of Commons, 17 November 1987, vol. 122, col. 900; Parliamentary Debates (Hansard) House of Commons, 28 January 1988, vol. 126, col. 333.

²⁵Parliamentary Debates (Hansard) Official Record House of Commons, 28 January 1988, vol. 126, col. 333. I want to stress that after the publication of these studies it can be demonstrated the Government was studying the possibility of reuniting these services over a year before their announcement in the 1987 election manifesto. For more information see: "Keep Looking," *The Economist*, 22 February 1986, p. 26 and E.W.S. Craig (eds.), *British General Election Manifestos: 1959-1987*, (England: Parliamentary Research Services, 1990), esp. 432.

Britain have suggested that it has learned from Sweden, as in the creation in 1987 of an integrated Employment Service.’’²⁶

While Anne Digby does not offer any evidence of this claim, it is supported by the fact that the Government spent a year studying the Swedish welfare-to-work system prior to their announcement that they intended to integrate job centers and employment offices. Moreover, John Burton recommended the transfer of the Swedish Employment Service in his study. Specifically, he stresses that:

[the Swedish] Employment Service...has an integrated function of (a) evaluating the need for each job seeker for labour market training, vocational rehabilitation, relief work, relocation grants, ect.,. and (b) monitoring the disbursement of cash benefits...*Unlike the current UK system, the Swedish Employment Service has a comprehensive responsibility of labour market policy measures.*²⁷

It should be stressed that the Swedish Employment Service attracted the Government because it was used to police the benefit system. As noted by the London based Swedish Institute:

[The Employment Service] has the task of ensuring that an applicant for unemployment insurance is willing to take a job. It is also expected to question a person’s entitlement to benefits if it can prove that he is not prepared to accept suitable work or referral to an appropriate labour market policy programme.²⁸

²⁶A. Digby, British Welfare Policy: Workhouse To Workfare (London: Faber and Faber, 1989), p. 24-25.

²⁷J. Burton, Would Workfare Work? p. 19. Emphasis added except to “comprehensive.”

²⁸B. Jangenäs, The Swedish Approach to Labor Market Policy (London: The Swedish Institute, 1985), p. 6.

2. *The United States*

In the early 1980s the United States began moving in the direction of an integrated Employment Service. Prior to the passage of the 1981 OBRA, the WIN program was jointly operated by the Department of Labor and the Department of Health and Human Services. To address the problems inherent in providing benefits through one agency and administering work and training programs through another, the 1981 OBRA developed the WIN Demonstration Programs: “for the purpose of demonstrating single agency administration of work-related objectives of the Act.”²⁹ This was carried forward in the 1988 FSA which required State welfare agencies to operate JOBS.³⁰

Combined, the internal pressures for change, the Swedish Employment Service and the developments in the American welfare system provided the impetus, models and justification for the Thatcher Government to re-integrate job centers and benefit offices into the Department of Employment under the direction of a single Employment Service.

III. TRAINING AND ENTERPRISE COUNCILS & LOCAL ENTERPRISE COMPANIES

In December 1990 the Government released the White Paper, *Employment for the 1990s* (Cm 540), announcing its intention to introduce Training and Enterprise Councils in England and Wales. In a corresponding document, *Scottish Enterprise: A New Approach to Training and Enterprise Creation* (Cm 534), the Government detailed the parallel institutions for Scotland, Local Enterprise Companies. With the establishment of TECs and LECs, the Government transferred the structure and design of American Private Industry Councils (PICs) into the British welfare-to-work

²⁹US Government, 1981 Omnibus Budget Reconciliation Act, PL 97-35 (Washington, D.C.: Government Printing Office, 1981), p. 45.

³⁰See: US Government, 1988 Family Support Act, PL 100-485 (Washington, D.C.: Government Printing Office, 1988).

system. As Michael Meacher argued: “The proposals are based on the experience of the United States...the Secretary of State...has lifted American ideas.”³¹

A. Why TECs And LECs?

1. *Falling Behind*

As we saw in Chapter eight, the belief that Britain was falling behind its major competitors in training and enterprise arrangements provoked the Government to engage in policy transfer. This belief was one of the key factors leading to the development of TECs and LECs. As noted by the Head of the Training Agency’s TEC Project Team David Main: “Why is the time now...Why choose the TEC route...we need to move now to meet the needs of the 1990s. If we do not we will rapidly slip behind our competitors and there are plenty of other countries out there only too eager to take up our market.”³²

2. *Engage Business In Training*

Another reason the Government developed TECs and LECs was their desire to increase business involvement in the planning and organization of training. As Professor Coffield noted: “The establishment of TECs is a high risk strategy which hopes finally to secure the commitment of employers to training,”³³ The desire to increase the role of business in the national training strategy led the Government model TECs and LECs on PICs. Briefly, under the 1982 Job Training Partnership Act (JTPA), employers emerged as the led organizations responsible for designing and implementing government training programs for disadvantaged youth and adults on the local level. Employers gained this position through their involvement in PICs.

³¹Parliamentary Debates (Hansard) Official Record House of Commons, 5 December 1988, vol. 143, col. 27. See also: R. Bennett, P. Wicks and A. McCoshan, Local Empowerment and Business Services (London: UCI Press, 1994), p. 2.

³²D. Main, “Training and Enterprise Councils: An Agenda for Action,” Regional Studies, 24: 1 (1989), pp. 69-71, p. 70.

³³F. Coffield, “From the Decade of the Enterprise Culture to the Decade of the TECs,” in: G. Esland (eds.), Education, Training and Employment, Volume 2: The Educational Response (Wokingham, and Reading, MA: Addison-Wesley, 1991), pp. 248-272, p. 263.

With the passage of the 1988 FSA, PICs also became centrally involved in the coordination and delivery of the JOBS program, further linking employers to the design and implementation of government sponsored education and training programs.³⁴

*3. TECs and LECs: The Quintessential Private Sector Initiative*³⁵

Closely associated with the desire to increase business involvement in the development and promotion of training, the Government modeled TECs and LECs on PICs because they offered a model of private sector initiatives. In fact, the desire to promote the private sector and market mechanism was one of the key ideological similarities between the Thatcher and Reagan Administrations.³⁶ As Thomas Bailey argued:

In designing the Job Training Partnership Act of 1982...the administration and Congress turned to the private sector for help and inspiration...This market-oriented strategy was evident in two central provisions of the JTPA.³⁷

Jamie Peck stressed that the same ideology underlined the development of TECs and LECs: "TECs also have a role in the Conservative government's quest to impose the 'logic of the market' onto all aspects of public and private life."³⁸

³⁴See: US Government, 1988 Family Support Act. The desire to increase the role of business in developing and coordinating training policy was also reflected in the Employment Act 1988 which increased the number of employer representatives on the Training Commission to insure they had an overall majority.

³⁵This is closely associated with the Government's privatization and increased use of quangoes, as TECs and LECs were a way of privatizing training procedures through a new Government Quango.

³⁶For more information see: D. Osborne and T. Gaebler, Reinventing Government (USA and England: Addison-Wesley, 1992); C. Pollitt, Managerialism and the Public Service, 2nd ed. (Oxford: Blackwell, 1993).

³⁷T. Bailey, "Market Forces and Private Sector Processes in Government Policy: The Job Training Partnership Act," Journal of Policy Analysis and Management, 7: 2 (1988), pp. 300-315, p. 301.

³⁸J.A. Peck, "Post-Corporatism' In Practice: TECs And The Local Politics Of Training," Spatial Policy Analysis Working Paper 9 (Manchester: University of Manchester School of Geography, July 1990), p. 11.

4. Decrease the PSBR

Finally, one of the key aims of introducing welfare-to-work programs was the Government's desire to reduce the PSBR. Basing TECs and LECs on PICs provided the Government with a way to accomplish this aim. Specifically, it was hoped that by increasing the role of business in the planning and implementation of government-sponsored training initiatives that: "TECs, taking advantage of their links at the highest level within the employer community, will be successful in leveraging private sector funds into training and enterprise,"³⁹ thus reducing the Government's need to fund these programs.

B. Knowledge Of PICs

The Government's interest and knowledge in PICs can be traced back to their reorganization in the JTPA. For example in 1984, the MSC and National Economic Development Council commissioned a report which examined the organization and development of PICs stressing that:

JTPA keeps the idea of Private Industry Councils (PICs), now containing a majority membership of private-sector employers, and gives them the role of approving the planning and administration of the delivery of training in a locality, and of overseeing and evaluating the provision.⁴⁰

A few months later the Government demonstrated a direct knowledge of PICs in the White Paper, *Employment The Challenge for the Nation*, (Cmnd 9474). At the time the MSC received another report, *A Challenge to Complacency: Changing*

³⁹J.A. Peck, "Post-Corporatism In Practice," p. 13. See also: A. Bartlett, "Training and Enterprise Councils: Will They Succeed?" *Regional Studies*, 24: 1 (1989), pp. 77-79. This will be further discussed during the examination of TEC and LEC financing arrangements, which were also based upon 'successful' PICs.

⁴⁰C. Hayes, A. Anderson and N. Fonda, *Competence and Competition* (Sheffield: MSC /NEDO, 1984), p.36.

attitudes to training, which further examined the design and function of PICs. More importantly, the report advised the Government to design a British version of PICs:

we think it will be important to improve the workings of the local markets...To this end, we suggest that a network of employer-led local bodies should be charged with this function...The Private Industry Councils recently set up in the USA and the German chambers of commerce provide valuable models on which to draw⁴¹

C. What Was Transferred?

The key structural elements of TECs and LECs are directly attributable to the Government's understanding of PICs. As Bennett, Wicks and McCoshan note: "Much of the concept of TECs and LECs developed from thinking around the structure of Private Industry Councils (PICs)."⁴²

1. Business Led

As noted above, one of the critical changes the JTPA made to the organization of PICs was the requirement that at least 51 per cent of its members be drawn from local businesses, with the remainder of the directors coming from local labor representatives and community organizations.⁴³ Specifically, Section 102 specifies that:

⁴¹NEDO/MS, *A Challenge to Complacency* (London: MSC/NEDO, 1985), p. 6-7. Emphasis in original. It should be noted that while PICs formed the basis of TECs and LECs, German chambers of commerce were the modeled the Government used for Local Employer Networks, the predecessors to TECs and LECs. For more information see: R.J. Bennett, "TECs and VET: The Practical Requirements of Organization and Geography," *Regional Studies*, 24: 1 (1989), pp. 65-69; J.A. Peck, "'Post-Corporatism' In Practice."

⁴²R. Bennett, P. Wicks and A. McCoshan, *Local Empowerment and Business Services*, p. 3. It should be noted that one of the reasons PICs were so influential on the development of TECs and LECs was the Norman Fowler seconded Cay Stratton, the directed a Massachusetts PIC, to be a special advisor to the Department of Employment in 1988. Moreover, she stayed at the Department until 1993 when she left to work for the Clinton Administration.

⁴³TEC and LEC boards consist of 10 to 15 members indicating that no more than 5 members of any TEC or LEC could be drawn from the wider community. Additionally, just as PICs, TEC and LEC chairmen were to be drawn from the business representatives not the wider membership.

A majority of the council members shall be representatives of business and industry...appointed from among individuals recommended by local business organizations...The remaining members shall be representatives of labor, education...community based organizations, the Employment Service, and economic development organizations and agencies.⁴⁴

The Board of TECs and LECs was directly modeled on these requirements:

At least two-thirds of TEC members should be employers at top management level drawn from the private sector. Others on the Councils will include senior figures from local education, training and economic development activities and from voluntary bodies and trade unions *who support the aims of the Council.*⁴⁵

It is important to stress that the membership structure of TECs and LECs required business and industry leaders to be selected from: "individual men and women with the prestige, energy and expertise to get the job done," not any local businesses leader.⁴⁶ This requirement is attributable to Cay Stratton's influence. As she argued board members: "must be acknowledged leaders whose presence will give the TEC instant prestige and influence...Without the top level leaders on TEC Boards, we have little chance of achieving a sea-change in attitudes and practice."⁴⁷

⁴⁴US Government, Job Training Partnership Act of 1982, PL 97-300 (Washington, D.C.: Government Printing Office, 13 October 1982), Sec. 102.

⁴⁵White Paper, Employment for the 1990s, Cm 540 (London: HMSO, December 1988), p. 41. Emphasis added.

⁴⁶White Paper, Employment for the 1990s, Cm 540, p. 41

⁴⁷C. Stratton, "TECs and PICs: The Key Issues Which Lie Ahead," Regional Studies, 24: 1 (1989), pp. 71-74, p. 71-2. For a further analysis of the importance of business in American PICs and its influence on the development of TECs and LECs see: R. Bennett, P. Wicks and A. McCoshan, Local Empowerment and Business Services; R.J. Bennett, "TECs and VET: The Practical Requirements of Organization and Geography,"; D. Main, "Training and Enterprise Councils: An Agenda for Action," T. Bailey, "Market Forces and Private Sector Processes in Government Policy," D. Nuckols, "Public/Private Partnerships As implementing Strategy: The Job Training Partnership Act," Journal of Economic Issues, vol. XXIV: 2 (1990), pp. 645-651.

2. Local Organizations: Local Focus

Another goal of the JPTA was to shift the control of Federal employment and training programs to State and local level. As discussed by the House Committee on Education and Labor: “The Committee expects that local factors should determine priorities in providing services equitable among segments of the eligible population.”⁴⁸ This view was carried to Britain by Cay Stratton. In her words: “It is at the local level, where people live and work, where their children go to school...that either inspires risk taking and innovation or inhibits economic change and economic investment.”⁴⁹

To this end, Norman Fowler announced that one of the four guiding principles underlying the TEC structure was that:

training and enterprise must have a local focus. The economic and social conditions of every community are different. What works in one may not work in the next. If national programmes are to be effective, they must be tailored to meet the special needs of people and employers at the local level⁵⁰

In fact, for some observers the devolution of power was the most innovative aspect of the TECs and LECs program. For example, Robert Bennett believed: “More than any other innovation introduced by the development of TECs and LECs, it is the intention that they become local agents of change that is perhaps most innovative.”⁵¹

⁴⁸US House of Representatives, Report No. 97-537: From the Committee on Education and Labor, (Washington, D.C.: Government Printing Office, 1982), p. 17.

⁴⁹Quoted in: R. Bennett, P. Wicks and A. McCoshan, Local Empowerment and Business Services, p. 75.

⁵⁰Department of Employment, “Setting up a TEC,” Employment Gazette, 97: 4 (1989), pp. 155-158, p. 156. The other three principles are: employer lead; real power; and strive for excellence.

⁵¹R. Bennett, P. Wicks and A. McCoshan, Local Empowerment and Business Services, p. 75.

3. Must Be Executive Not Just Administrative

One of the key lessons the Government transferred (at least in rhetoric) in designing TECs and LECs was the need to grant them executive powers.⁵² For example, Cay Stratton argued that: “Without real discretion, without the ability to make real choices about policies and programmes, we will stifle the ownership, energy and initiative of TECs before they get off the ground.”⁵³ Repeating this, Norman Fowler argued: “if we are to expect employers to take the reins locally, we must give them real powers to make real decisions.”⁵⁴

Not surprisingly the powers the Government granted TECs and LECs emulated the responsibilities given the PICs. As established TECs and LECs:

will examine the local labor market, assessing key skill needs, prospects for expanded job growth and the adequacy of existing training opportunities...tailoring national programmes to suit area needs...They will be responsible for the development and provision of training and other support for small businesses.⁵⁵

The JTPA established the same functions for PICs including the power to examine the local labor market and adjust federal programs to these conditions. The JTPA even allowed PICs to pursue activities such as “training services for small businesses.”⁵⁶

4. We Are Companies

TECs and LECs were established as corporate entities capable of raising funds independently of central government.⁵⁷ This was a direct result of the experiences of

⁵²For a discussion as to why these arguments have lost their power see: R. Bennett, P. Wicks and A. McCoshan, Local Empowerment and Business Services.

⁵³C. Stratton, “TECs and PICs: The Key Issues Which Lie Ahead,” p. 73.

⁵⁴Department of Employment “Setting up a TEC,” p. 156.

⁵⁵White Paper, Employment for the 1990s, Cm 540, p 40.

⁵⁶D. Johnstone, “Private Industry Councils and the Training Partnership Act,” Local Economy, 4 (1990), pp. 328-335; p. 331. Moreover, the JTPA prohibited the Secretary of Labor from restricting the way PICs used their finances in fulfilling their federal mandate. For more information see: US House of Representatives, Report No. 97-537, p. 22.

American PICs. Specifically, the JTPA allows, but does not require, PICs to become ‘incorporated bodies’ capable of raising independent finances. However, in Cay Stratton’s words: “In the US, not a single one of the best PICs relies exclusively on federal funds. Each has raised money from employers, charitable trusts and other government departments.” She continues: “It is only in this way that TECs will achieve credibility within the business community.”⁵⁸ Because of these lessons and Cay Stratton’s influence when establishing TECs and LECs, the Government mandated that each TEC and LEC should be an: “independent company, subject of company law, operating as a company limited by guarantee.”⁵⁹ In fact, the Board of each TEC and LEC acts as any regular company board, only under a performance contract with the government instead of with share holders.⁶⁰

5. Local Organizations: But National Control Through Performance Contracts And Rewards

While the Government stressed the local nature and power of the TECs and LECs they were constrained by the need to operating within and implement national guidelines and programs. This formulation was inspired by Sections 103-105 of the JTPA. Specifically, these require every PIC, in conjunction with its prime sponsor, to develop a bi-annual plan to be approved by the Governor and Secretary of Labor. These plans must specify performance goals and plans and show how each PIC intends to implement the performance standards established by the Secretary of Labor. So, while PICs are free to develop plans and strategies to match local needs, they are severely restricted by the performance standards set by the Department. In fact, Section 103 requires the Secretary of State to: “establish national performance criteria.” Moreover, the Secretary can: “determine the adequacy of each Prime

⁵⁷Recall, this fit with the Governments desire to implement private sector initiatives. This structure also fits into the philosophy and operations of the Government’s privatization program, as discussed earlier.

⁵⁸C. Stratton, “TECs and PICs: The Key Issues Which Lie Ahead,” p. 72. See also: D. Johnstone, “Private Industry Councils and the Training Partnership Act,” F. Coffield, “From the Decade of the Enterprise Culture to the Decade of the TECs.”

⁵⁹R. Bennett, P. Wicks and A. McCoshan, *Local Empowerment and Business Services*, p. 48.

⁶⁰Again it must be stressed that this fit with the Government’s desire to develop business practices within government operations and their privatization programs and increased use of quangoes.

Sponsor's performance goals on the basis of minimum performance standards designed to recognize local conditions and employment barriers.”⁶¹

Notice the similarities between the broad standards found in the JTPA and those specified in *Employment of the 1990s*:

TECs will operate on the basis of a contract with the Employment Department's Training Agency. The contract will specify programme and management standards and will contain qualitative outcome measures related to target groups to be served, such as qualifications to be obtained, acceptable job placement rates, business support activities, and unit cost requirements.⁶²

It is important to point out that both the PIC contract and TEC and LEC contract are based on performance-related activities and outputs. In fact, built into the JTPA is a reward system for PICs which exceed the goals set within their contract. Specifically, 5 per cent of Title II funds are reserved for performance bonuses to: “reward those prime sponsors which have met or exceeded their performance goals for the preceding year.”⁶³ Even this was transferred to the structure of TECs and LECs: “TECs will operate independently under performance contracts with the Secretary of State. Standards will be monitored and TECs exceeding performance goals may be rewarded with bonuses.”⁶⁴

Finally, it is worth stressing that, just as PICs can be disbanded for failing to meet performance goals for two years in succession, the Department of Employment ensured this was a basic aspect of TEC and LEC contracts.⁶⁵

⁶¹US Government, *Job Training Partnership Act of 1982*, Sec. 103.

⁶²White Paper, *Employment for the 1990s*, Cm 540, p. 42.

⁶³House of Representatives, *Report No. 97-537*, p. 20.

⁶⁴Department of Employment, “To Boldly Go...TECs Get Underway,” *Employment Gazette*, vol. 97: 4 (1989), pp. 151-152, p. 152.

⁶⁵See: US Government, *Job Training Partnership Act*, Section 103-104. See also: Department of Employment, “To boldly go,” p. 152. I want to stress that all the business aspects of TECs and LECs fit the ideology of managerialism the government was implementing throughout the Government. So for example, performance based contracts were not restricted to TECs and LECs but even instituted into the Civil Service contracts.

6. Coordinate All Training Programs

As discussed in the previous Chapter, just as PICs are the central device used to delivery of Federal employment and training programs,⁶⁶ so to are TECs and LECs. As laid out in *Training and Enterprises Councils: A Prospectus for the 1990s*:

every TEC will begin from the same starting point; it will have as its foundation the training and enterprise development programmes previously run by the Employment Department.⁶⁷

7. Design Not Deliver

Furthermore, like PICs, the Government structured TECs and LECs to coordinate not deliver its training and employment programs.⁶⁸ Specifically, instead of delivering programs TECs and LECs contract with local agents to provide these services. As the Department of Employment specified: “TECs will not run programmes themselves...they will sub-contract training and enterprise activities to local providers.”⁶⁹ Moreover, as with PICs, TECs and LECs were encouraged, but not required, to make these performance based contracts.⁷⁰

⁶⁶See: US Government, Job Training Partnership Act, Section 231-233 and Section 502; US Government, 1988 Family Support Act, Section 483-485;

⁶⁷Department of Employment, Training and Enterprise Councils: A Prospectus for the 1990s, (London: HMSO, 1989), p. 5-6. It should also be noted that the majority of TEC and LEC funding was tied to the delivery of the Employment Training and Youth Training Programs.

⁶⁸It should be noted that PICs are not prohibited from providing services themselves but most: “contract it out to a wide range of organizations.” For more information see: D. Johnstone, “Private Industry Councils and the Training Partnership Act,” p. 331.

⁶⁹White Paper, Employment for the 1990s, Cm 540, p. 42.

⁷⁰For more information on PICs use of contracts see: . Johnstone, “Private Industry Councils and the Training Partnership Act,”; T. Bailey, “Market Forces and Private Sector Processes in Government Policy: The Job Training Partnership Act,” White Paper, Employment for the 1990s, Cm 540, esp. p. 42.

D. Negative Lessons

1. High Caliber Business Leaders

Based upon the experience of PICs, policy makers also learned what not to do in developing TECs and LECs. One of the primary negative lessons transferred from the PIC program was the need to maintain the ‘status and accountability’ of TEC and LEC directors. Specifically, Cm 540 requires TEC directors to be drawn from ‘top-management levels’ from amongst people with ‘prestige and expertise.’ These rules were included in the legislation because of Cay Stratton’s influence and experience. As she argued, these rules were drafted: “To maintain the status and accountability of the Board...partly as a result of evidence of the drift in quality of US PICs allowing lower-level business personnel to participate.”⁷¹

2 Controlled Development

The process of establishing TECs and LECs over a three year period was influenced by the faults discovered in the process of rapidly implementing PICs. Briefly, within months of the passage of the JTPA every state had established and certified all their PICs and their action plans regardless of: “the caliber of their members or the adequacy of their plans.”⁷² Because of such a rapid implementation many PICs developed poor plans and recruited unqualified members. In Cay Stratton’s words:

The approach used to establish and implement PICs was a near disaster and accounts for much of today’s mediocrity...We have been very careful to avoid that situation in Britain...It is for this reason that we are committed to a phase-in period for TECs of three to four years.⁷³

⁷¹R. Bennett, P. Wicks and A. McCoshan, Local Empowerment and Business Services, p. 51.

⁷²C. Stratton, “TECs and PICs: The Key Issues Which Lie Ahead,” p. 72.

⁷³C. Stratton, “TECs and PICs: The Key Issues Which Lie Ahead,” p. 72.

Because of America's experience, and Cay Stratton's influence, the Government phased-in TECs over a three year period, instead of forcing the process, as occurred in the US.

F. We Did Borrow From The USA

A quote from Norman Fowler provides an appropriate way of concluding this section by demonstrating that the Government relied on its knowledge of PICs to develop and structure TECs and LECs: "My Hon. Friend asked me about the origins of this plan. It certainly contains elements of the United States experience."⁷⁴

V. CHILD SUPPORT AGENCY (A MINI CASE STUDY)

In late 1990, the Government published a two volume White Paper, *Children Come First: The Government's Proposals on the Maintenance of Children* (Cm 1264), announcing its intention to establish a Child Support Agency. Cm 1264's proposals were given effect in the *Child Support Act 1991*. This Act established the structure and general functions of the Child Support Agency, which began operating in April 1993. Because the *Child Support Act 1991* and the Child Support Agency were established after the period covered by my study I am going to limit my discussion of the CSA to the information contained in Cm 1264. I want to stress that I am including an examination of the Agency in this chapter because the Government admit that it transferred the structure of the Agency from the United States and because Cm 1264 was published during the period covered by my study.

A. Why Transfer the Child Support Agency From The United States?

There were four key reasons the Government decided to transfer the Child Support Agency from the United States: similar problems; ideological similarities;

⁷⁴Parliamentary Debates (Hansard) Official Record House of Commons, 5 December 1988, vol. 143, col. 31-32.

America's success and history in operating Child Enforcement Agencies; and the Government's desire to drive down the PSBR.

1. Similar Problems.

a. Inconsistency And Fragmentation

In the United States, the passage of the: 1974 Social Service Amendments; 1984 Child Support Enforcement Amendments; and the 1988 FSA, were each inspired by the perceived need to enhance the consistency and accountability of America's child support system.⁷⁵ Foremost amongst policy maker's concerns in developing these Acts was the inability of court determined support orders, with no guidelines or accountability, to produce similar child support awards, even for families in similar situations.⁷⁶ Particularly worrisome to policy makers was the fact that the families who needed help the most were the least likely to receive it. This occurred because low income families found the cost and delays involved in court cases difficult to overcome.⁷⁷ As Irwin Garfinkel (credited for developing America's Child Support Enforcement Agency) argued:

Until recently child support was a state and local matter...The establishment and enforcement of private child support was characterized by judicial discretion...How much nonresident parents

⁷⁵It should be noted that part of the attractiveness of the American child support enforcement system to the Government was its extensive history. For more information see: A. Nichols-Casebolt and I. Garfinkel, "Trends in Paternity Adjudication's and Child Support Awards," *Social Science Quarterly*, vol. 71: 1 (1991), pp. 83-97; A. Stuart, "Rescuing Child Support Payment System," *Social Service Review*, 60 (1986), pp. 201-217; I. Garfinkel and E. Uhr, "A New Approach to Child Support," *The Public Interest*, 74 (1984), pp. 111-122; C. Adams Jr., D. Landsbergen, L. Cobler, "Welfare Reform and Paternity Establishment: A Social Experiment," *Journal of Policy Analysis and Management*, 11: 4 (1992), pp. 665-687.

⁷⁶I am using 'families' to refer to single women and men receiving child support and parents living with a partner but still receiving child support from the absent biological parent.

⁷⁷For more information on the process prior to the passage of the 1988 Family Support Act see: A. Stuart, "Rescuing Children: Reforms in the Child Support Payment System,"; C. Adams Jr., D. Landsbergen, L. Cobler, "Welfare Reform and Paternity Establishment: A Social Experiment"

were required to pay in child support varied dramatically from case to case. Families in similar circumstances were treated quite differently.⁷⁸

These are the exact arguments the Government presented in *Children Come First* to justify the development of the CSA:

The present system of maintenance is unnecessarily fragmented, uncertain in its results, slow and ineffective. It is based largely on discretion. The system is operated through the...courts...and the...Department of Social Security. The cumulative effect is uncertainty and inconsistent decisions about how much maintenance should be paid.⁷⁹

b. Late Payment Or None At All

Before the passage of the Child Support Enforcement Amendments of 1984, the US Census Bureau released figures revealing that of the nearly 9 million eligible families in 1983, only about 4 million were receiving child support payments.⁸⁰ Of these only: “half received the entire award, another quarter received partial payments, and one out of four received no support at all.”⁸¹ Even after the passage of the 1984

⁷⁸I. Garfinkel and M. M. Klawitter, “The Effect of Routine Income Withholding of Child Support Collections,” Journal of Policy Analysis and Management, 9: 2 (1990), pp. 155-177, p. 156. For more information see: I. Garfinkel, and M. Melli, “Child Support: Weaknesses of the Old and Features of a Proposed New System. Research on Poverty Special Report 32A, (Madison, WI: University of Wisconsin, 1982); L. Yee, “What Happens in Child Support Cases,” Denver Law Journal, 57 (1979), pp. 21-68.; I. Garfinkel and S. McLanahan, Single Mothers and Their Children: A New American Dilemma, (Washington D.C.: Urban Institute Press, 1986); I. Garfinkel, D. Oellerich and P. Robins, “Child Support Guidelines: Will They Make a Difference?,” Journal of Family Issues, 12 (1991), pp. 404-429.

⁷⁹White Paper, Children Come First: The Government’s proposals on the maintenance of children: Vol. I, Cm 1264 (London: HMSO, 1990). p. i.

⁸⁰See: US Bureau of the Census, Current Population Reports, Child Support and Alimony, 1983, Series p-23, no. 148, (Washington, D.C.: Government Printing Office, October 1986).

⁸¹T. Corbett, I. Garfinkel, and N. Schaeffer, “Public Opinion about a Child Support Assurance System,” Social Service Review, 62 (1988), pp. 632-648, p. 633.

Child Support Enforcement Amendments the situation continued to be problematic leading to the inclusion of Title I in the 1988 FSA.⁸²

The same trends as just described were highlighted in *Children Come First*. Specifically, the statistics released in Cm 1264 indicated that, as of 1989, 70 percent of families awarded child support either did not receive it or else it had fallen into arrears. Of the payments which fell into arrears, only 5 percent were fully recovered. As in the United States, Cm 1264 also highlighted the problem of initially claiming child support, particularly emphasizing that many eligible families failed to claim child support in the first instance.⁸³

c. Reliance Upon The State

As a result of the problems highlighted above, single parent families were relying on the welfare system in both the US and Britain. In fact, one of the main arguments used to justify the 1988 FSA was the need to reduce dependency amongst single parent families caused by the lack of child support payments.⁸⁴ As noted by Casebolt and Garfinkel: "Failure to secure economic support from the fathers in these cases contributes the economic disadvantages faced by these mothers as well as the fiscal burden borne by the public" In response the: "US Congress and state legislatures have enacted legislation designed to facilitate the establishment of paternity and child support awards."⁸⁵

Once again these arguments are replicated in *Children Come First*: "Lone parent families have become more depended on social security benefits and have become less likely to receive maintenance."⁸⁶

⁸²"Welfare Reform: Key Issues in Welfare Debate," Congress and the Nation 1985-1988, vol. VII (USA: Congressional Quarterly Press, 1990), p. 617. For full details see: U. S. Bureau of Census, Current Population Reports, Child Support and Alimony, 1987, Series P-23, No. 167, (Washington, D.C.: Government Printing Office, 1990); US Department of Health and Human Services, Office of Child Support Enforcement, Child Support Enforcement, OCSE Twelfth Annual Report to Congress (Washington, D.C.: OCSE, 1987)

⁸³See: White Paper, Children Come First, Volume I and II.

⁸⁴For example see: US Government, "Welfare Reform," Hearings before the Committee on Finance: US Senate, 100th Congress, 1st Session, (Washington, D.C., US Government Printing Office, 1987).

⁸⁵A. Nichols-Casebolt and I. Garfinkel, "Trends in Paternity Adjudication's and Child Support Awards," p. 83-84.

⁸⁶White Paper, Children Come First, Volume II, p. i.

d. Everyone Is Entering The Welfare System

Associated with the rise in dependence amongst single parents families in the United States was the dramatic rise in the number of single parent families. In fact, it was Congressional concern with the dramatic rise in the number of single parent families which lead them to include a mandate for every state to include AFDC-UP within its welfare-to-work program. This same pattern was repeated in Britain. As noted in the Social Security Advisory Committee's *Seventh Report*:

In the 1980s the number of lone parents has risen more rapidly than at any other time...Some two thirds of all lone parents reviving benefit receive income support. Of these, over half are divorced or separated and half have at least one child under five.⁸⁷

Of more importance, the Committee used these trends to justify the need to improve the child support maintenance system.⁸⁸

Because both countries were facing similar circumstances, the ability to turn to a well-developed and tested system increased the attractiveness of the American child support enforcement system and, in particular, the Child Support Enforcement Agencies.

2. *Similar Ideology*

The decision to transfer the Child Support Enforcement Agency from the United States was also influenced by the ideological similarities between the Reagan and Thatcher Administrations.

⁸⁷SSAC, *Seventh Report Social Security Advisory Committee* (London: HMSO, 1990), p. 44.

⁸⁸SSAC, *Seventh Report Social Security Advisory Committee*, p. 44.

a. Parental Responsibility Does Not End With Marriage

In addition to the ideological similarities discussed in previous chapters, one of the key ideological arguments underpinning the development of the CSES in both the US and Britain was the belief in parental responsibility, regardless of the marital situation. In the United States these arguments were forcefully represented in the 1974 Social Service Amendments, the 1984 Child Support Enforcement Amendments (PL. 98-378) and the 1988 FSA. In fact, the opening statement of the 1984 Child Support Enforcement Amendment defines the purpose of the Act: “To...assure...that all children in the United States who are in need of assistance in securing financial support from their parents will receive such assistance regardless of their circumstances.”⁸⁹

These sentiments were reiterated during the passage of the 1988 FSA. For example, Senator Thad Cochran argued:

There is agreement on the importance of parental support for children...we start by placing primary responsibility on parents to support their children...The automatic wage withholding requirement in the Bill makes a needed statement...that this nation expects fathers to help support [their] children⁹⁰

This same belief was apparent in Britain dating back to the Social Security Act 1986. Specifically, Sections 24 - 26 of the Act mandates that men and women are liable to maintain their children to the age of 19 even if they are divorced, separated or the child was illegitimate. This requirement was repeated and strengthened in Section 5 of the Social Security 1989, mandating that fathers are liable to maintain “any children of whom he is the father,” and that both men and women were liable to maintain any children “of whom the man or the woman is the

⁸⁹US Government, Child Support Enforcement Amendments of 1984, PL 98-378 (Washington, D.C.: Government Printing Office, 1984). Introduction.

⁹⁰US Government, “Welfare Reform,” Hearings before the Committee on Finance, p. 6-7.

father or mother,” regardless of their marital status or relationship.⁹¹ *Children Come First* reiterates these sentiments in its opening paragraph:

Every child has a right to care from his or her parents...Although events may change the relationship between the parents...those events cannot in any way change their responsibilities towards their children...The payment of child maintenance is one crucial way in which parents fulfill their responsibilities towards their children.⁹²

b. No ‘True’ Family Policy

Besides the belief in continual parental responsibility for the welfare of their children, Britain and the United States share a tradition of ‘family policy’ avoidance. While ‘child benefit’ is a form of family policy, successive British Governments have explicitly avoided comprehensive policies to encourage or discourage family formation. As in the US this has traditionally been grounded in the over-riding principle “the sanctity and ‘privacy of the family.’”⁹³ However, while the Reagan and Thatcher Administrations avoided an explicit family policy they both professed to support strong family values. This combination of values helped attract the Thatcher Government to the American CSEA. While the CSEA was not an explicit family policy it could be sold as increasing and protecting family values, even after the dissolution of the family.

c. Maintain Work Incentive

The Thatcher Government’s strong attachment to the work ethic further attracted it to the American CSEA. Briefly, the 1988 FSA was passed not only to

⁹¹HMSO, Social Security Act 1989 (London: HMSO, 1989) Sec. 5. See also: HMSO, Social Security Act 1990 (London: HMSO, 1990), Sec. 8, which further strengthened the obligation of parents to maintain their children and the powers of the Department of Social Security.

⁹²White Paper, Children Come First, Volume I, Forward.

⁹³N. Ginsburg, Divisions of Welfare (London: Sage, 1992), p. 165.

ensure absent parents met their financial obligations to their children but to require parents to support their children through work. In Senator Moynihan's words:

The primary responsibility for child support rests with parents...there is agreement that whether children live with both parents, or just one, able-bodied parents have a responsibility to support their children by working. Toward this end we ought to remove the barriers to employment.”⁹⁴

Senator Moynihan's sentiments were repeated in *Children Come First*: “The Government proposes to establish a system of child maintenance which will...ensure that parents meet the cost of their children's maintenance whenever they can without removing the parents' own incentives to work, and go on working.”⁹⁵

Moreover, in July 1989, the SSAC released *Why Don't They Go to Work? Mothers on Benefit*, which found: “evidence that lone mothers who receive regular maintenance at a reasonable level show a markedly increased propensity to work.”⁹⁶ This added a further justification for the adoption of the American child support enforcement systems as a way of drawing families back into the labor market.

d. Single Parents Should Stay Home No More

Closely associated with the desire to maintain the work ethic, was the change in attitudes towards women in work. In both the United States and Britain the Social Security Systems was based on the assumption that women with children should not enter the labor market. In the US this assumption gradually changed as women began entering the labor market. So, by the passage of the 1988 FSA it was assumed

⁹⁴US Government, “Welfare: Reform or Replacement,” Hearings Before the Subcommittee on Social Security and Family Policy, US Senate, 100th Congress, 1st Session (Washington, D.C.: Government Printing Office, February 23, 1987), p. 3. See also: US Government, “Welfare Reform,” Hearings before the Committee on Finance: US Senate.

⁹⁵White Paper, Children Come First, Volume I, p. 5.

⁹⁶SSAC, Seventh Report of the Social Security Advisory Committee, p. 3. See also: J. Brown, Why Don't They Go to Work (London: HMSO, July 1989).

women with children as young as one, should work. As noted in *Why Don't They Go to Work?*, this same pattern occurred in British attitudes towards single mothers:

the social security system was planned on the further assumption that it was not in the interest of children for a married woman to go out to work...the large scale return to the labour force of married women with dependent children has raised question about this policy.⁹⁷

3. Decrease The PSBR

Associated with the Government's desire to maintain and develop the work ethic and reduce the number of women in the benefit system was the desire to use the CSA to decrease the PSBR. The desire to decrease the PSBR attracted the Government to the American welfare-to-work system and, in particular, to the CSES. Proponents of the of the 1988 FSA supported their arguments for the inclusion of the child support enforcement requirements in Title I as a means of reducing the Government's welfare budget. As noted in *CQ*:

Moynihhan has made the child-support provisions the first title of his bill, in keeping with a theme...that the welfare problem is primarily one of parental responsibility. Another reason for including the provisions, he conceded, is their political appeal...Perhaps most significant, though, is that fact that the provisions not only pay for themselves, they raise money to help pay for the rest of the bill.⁹⁸

The desire to use the CSA to reduce the PSBR is apparent in *Children Come First*. The opening pages of the White Paper announce that the CSA was designed to insure that loan parents would: "avoid...becoming dependent on Income Support

⁹⁷J. Brown, *Why Don't They Go to Work?*, p. 1.

⁹⁸J. Rovner, "Child-Support Provisions Are the 'Engine' Pulling Controversial Welfare-Reform Bill," *Congressional Quarterly Weekly Report*, 46 (1988), pp. 1648-1649, p. 1648.

whenever this is possible and, where it is not possible, to minimize the period of dependence.”⁹⁹

C. Knowledge Of, And Interest In, The American CSES

The process of borrowing the American CSES began at a Paris conference in 1986 when David Willetts, a member of the Downing Street Policy Unit, met Irwin Garfinkel: the academic credited with developing the prototype Child Support Agency. After their meeting David Willetts reputedly wrote to Prime Minister Thatcher about the American CSES. Upon receiving this report she was allegedly: “rapturous: nail the guilty fathers and at the same time cut hundreds of millions off the Social Security budget - give the man a rise!”¹⁰⁰ Less than four years after the Paris conference the Government announced its intention to implement the CSA under the same guidelines and functions as its American counterpart.

More direct evidence of the Government’s borrowing of the American CSES was provided in *Children Come First*. Cm 1264 announced that the: “Secretary of State and senior officials visited the United States to talk to the judiciary and officials involved in the operation of the child support systems there.”¹⁰¹ Cm 1264 continues with a description of the Wisconsin child support system. In particular, the White Paper highlights Wisconsin’s use of a formula to determine the value of child support awards and the use of wage withholding to insure absent parents make their payments.¹⁰² Each of these elements were integrated into the British CSA.

The Social Security Advisory Committee’s report *Why Don’t They Go to Work?* also examined the alterations the: 1974 Social Service Amendments; the 1984 Child Support Enforcement Amendments; and the 1988 FSA’s made to America’s CSES. All this provides ample evidence that the Government was aware of

⁹⁹White Paper, *Children Come First*, Volume I, p. 5. More evidence the Governments desire to use the Child Support Agency to decrease the PSBR as title one of the 1988 FSA was provided in the Agencies business plan which set one of the Agencies targets to annually save the government £530 million. See: HMSO, *Child Support Agency Business Plan* (London: HMSO, 1993), p. 7.

¹⁰⁰P. Popham, “Down By Law,” *Esquire*, (May, 1994), pp. 122-126, p. 124.

¹⁰¹HMSO, *Children Come First*, Volume II, p. 85. It should also be noted that the Committee went to a conference in Australia where they learned about both the American child support enforcement system and the Australian Child Support Agency.

¹⁰²See: HMSO, *Children Come First*, Volume II, p. 85-86.

American's CSES and interested in it. However, while the above section suggests that the Government designed the CSA on its understanding of American CSES perhaps the final word should rest with Government. On 12 February 1990 Gillian Shephard argued:

We are particularly concerned about the number of lone-parent families on benefit here who receive little or no maintenance. We are therefore examining the whole maintenance system to establish how it can be improved. As part of this process we are examining maintenance arrangements abroad, including those in the United States, to see whether there are any lesson to be learned from them.¹⁰³

D. The Child Support Agency

1. The United States

a 1974 Social Service Amendments

The 1974 Social Service Amendments required every State to establish a child support enforcement system.¹⁰⁴ As part of this system States had to establish: "special agencies for the collection of child support payments due to recipient of AFDC who were required to sign over to the state claims to child support as a condition of [AFDC] eligibility."¹⁰⁵ Moreover, State child support enforcement agencies were given the authority and responsibility of: "locating absent parents, establishing paternity, preparing support orders, monitoring compliance with support orders, distributing collections, and periodically reviewing and modifying support orders."¹⁰⁶ Furthermore, the Amendments required States to establish parent locator services: "that could request information from the Social Security Administration and

¹⁰³Parliamentary Debates (Hansard) Official Record House of Commons, 10 February 1990, vol. 167, col. 82.

¹⁰⁴These are often referred to as Title IV-D agencies for they were created under authorization contained within title IV-D of the Social Security Act. All the changes to be discussed in this section also fall under this or Title IV-A of the Social Security Act.

¹⁰⁵S. Archibald, "Rescuing Children: Reforms in the Child Support Payment System," *Social Science Review*, 60: (1986), p. 203.

¹⁰⁶C. Adams Jr., D. Landsbergen, L. Cobler, "Welfare Reform and Paternity Establishment," p. 668.

the Internal Revenue Service,” on the location and income of absentee parents. Finally, States were required to: “offer similar services to non-AFDC cases if requested.”¹⁰⁷

b. The Child Support Enforcement Amendments Of 1984

Added to these functions, Section 3 of the 1984 Child Support Enforcement Amendments required every State’s child support enforcement agency to establish procedures for automatically withholding income from the pay and tax refunds of absentee parents whenever their child support payments fell into arrears of over one month, without having to request court intervention.¹⁰⁸ Section 3 required States to establish procedures imposing: “liens against real and personal property for the amount of overdue support...[and] Permitted states to extend withholding to income other than wages, such as bonuses and commissions, or dividends.”¹⁰⁹ Additionally, Sections 15 and 18 require States, to establish a committee responsible for formulating child support award guidelines. Once established these were to be provided to: “all judges and other officials who have the power to determine child support awards within such State, but need not be binding.”¹¹⁰

c. Modifications Made By The 1988 Family Support Act.

Title I of the 1988 FSA completed the development of the American child support enforcement system. Specifically, Section 101 requires every State to implement various procedures for the immediate and mandatory wage withholding for all support orders being enforced by the State’s CSEA. The only exception to this is if either a judge rules there is a ‘good cause’ for not enforcing the rules or both

¹⁰⁷S. Archibald, “Rescuing Children: Reforms in the Child Support Payment System,” p. 203.

¹⁰⁸Section 2 strengthened the requirement to provided help to non-AFDC parents by making it explicitly part of the Act that help must be provided to all families regardless of their financial situation.

¹⁰⁹“Child Support Enforcement,” Congress and the Nation 1981-1984, vol. VI (USA: Congressional Quarterly Press, 1985), p.606.

¹¹⁰See: US Government, Child Support Enforcement Amendments of 1984, Sec. 18.

parents sign an agreement specifying other arrangements.¹¹¹ Section 101 requires the Agency to begin such procedures upon the request of either parent or the Agency. Section 102 strengthens the 1984 requirement that the first \$50 collected in support payments does not count as income for benefit entitlement purposes. Section 103, mandated child support award guidelines established by the 1984 Child Support Enforcement Amendments: “must be applied by judges and other officials in determining the amount of any child support award unless the judge or official...makes a finding that there is good cause for not applying the guidelines.”¹¹² Section 103 also requires States to: “periodically review and adjust,” all child support orders being enforced by the Agency. Finally, Section 111 strengthens and extends State obligations to establish paternity in relation to AFDC cases, so that the Agency can establish and enforce child support obligations. The only exceptions to this rule were for: “a child who is receiving cash benefits by reason of the death of a parent, or a child with respect to whom a mother is found to have good cause for refusing to cooperate in establishing or collecting support.”¹¹³

Each element of the American CSES was transferred into the structural design of the British Child Support Agency.

2. Britain's Child Support Agency.

In *Children Come First* the Government established the functions of the Child Support Agency:

to identify and trace liable persons if their whereabouts are unknown;
to obtain information on the incomes and circumstance of the parents
of the child for whom maintenance is claimed...to assess the
maintenance to be paid...to record and monitor the payments made
where appropriate; to take appropriate enforcement action at an early

¹¹¹See: US Government, Family Support Act 1988, Sec. 101.

¹¹²US Government, Family Support Act 1988, Sec. 103.

¹¹³US Government, Family Support Act 1988, Sec. 111.

date when payments are not made; to review the assessment at regular intervals.¹¹⁴

The above quote reveals the basic similarities between the American child support enforcement system and the British Child Support Agency, however it is worth examining some of the CSA's operational guidelines to illustrate the similarities.

a. The Formula

The 1988 FSA required states to determine child support orders based on the formula developed in response to the Child Support Enforcement Amendments of 1984. Based upon American and Australian experience, the Government required CSA to establish maintenance obligations based upon a formula.¹¹⁵ As described in *Children Come First* the formula would be an: "assessment of how much maintenance should be paid...[and] will apply to all families where maintenance is an issue and therefor eliminate any scope for inconsistency."¹¹⁶

b. Periodic Review

As in the United States, the CSA is also under legal obligation to undertake regular review's of support awards to insure they are kept in line with the changing circumstances of the parents.¹¹⁷

¹¹⁴White Paper, *Children Come First*, Volume I, p. 31-31.

¹¹⁵For more information on the use and structure of the Australian child support agency, itself transferred from the United States, see: White Paper, *Children Come First*, Volume II, p. 85.

¹¹⁶White Paper, *Children Come First*, Volume I, p. 6; J. Brown, *Why Don't They Work?*: SSAC, *Seventh Report Of The Social Security Advisory Committee*, p. 45.

¹¹⁷Closely related to this is the provision in both the United States and Britain that when assessing child support awards and reviewing them second families are not damaged by the amount of the award and that a absent parent has a basic minimum income protected within the formula. In Britain this is referred to as the 'exempt income' maintained at the 'protected level.' In the United States this was set at 55 percent of disposable income for fathers with a second family and 65 percent for those living alone. See: White Paper, *Children Come First*, Volume I, p. 7-30; US Government *Family Support Act 1988*. I want to stress that these provisions could be traced to necessity rather than direct transfer. However at very least the American experience inspired these regulations.

c. Automatic Income Withholding

As in the United States, one of the mechanisms available to the CSA to ensure payment of income support is automatic income withholding.¹¹⁸ It must be noted that, while the CSA is not obligated to impose automatic withholding, it is not a 'requirement' in the US because many parents agree to other arrangements as allowed in the 1988 FSA. Additionally, as in the United States, payments can be made directly to the caring parent or through the Agency.¹¹⁹

d. Reduce Welfare Budget

In the United States AFDC recipients are required to help the child support enforcement agency determine the paternity of their children. Additionally, they are required to claim child support, unless they have 'good cause' to refuse. If a individual is found not to have a good cause he/she, but not any children, face losing his/her benefit entitlement. These rules were transferred to the CSA:

When the caring parent is receiving Income Support or Family Credit, the taxpayer has an interest in whether maintenance is paid. In these circumstances, the parent will be required to make a claim for maintenance to the Agency...There will be exceptions where this is not in the interest of the children. Where there is no such good cause for declining to seek maintenance, the allowance for the caring parent, but not that for the children, may be reduced.¹²⁰

e. Reserved Income

Both the 1984 Child Support Enforcement Amendments and the 1988 FSA required States to transfer the first \$50 of any child support collected to the family.

¹¹⁸See: White Paper, Children Come First, Volume I, p. 34.

¹¹⁹See: White Paper, Children Come First, Volume I, p. 36.

¹²⁰White Paper, Children Come First, Volume I, p. ii.

Moreover, the \$50 was to be disregarded for the purposes of determining welfare eligibility. This was replicated in the rules governing the CSA: “Caring parents who receive Family Credit, Housing Benefit or Community Charge Benefit will not have the first £15 of maintenance received taken into account in calculating their income.”¹²¹

f. Charge Fees For Non-Welfare Families

The 1974 Social Services Amendments and the 1984 and 1988 legislation, required all non-AFDC families seeking the services of the child support enforcement agency to be charged a minimal fee for its services. This philosophy was also transferred to the CSA. Specifically, the Agency must charge all clients not receiving income support: “for the assessment and collection of maintenance.”¹²²

g. Parent Locator Service

Finally, as part of the child support enforcement system, Federal and State Governments were required to operate parent locator services capable of accessing information from: State agencies; the Department of Health and Human Services; the Internal Revenue Services; and the Department of Labor. The Service was designed to provide information on the location of absent parents, their place of employment and their income, at the request of the child support enforcement agency. This service was transferred into the structure of the CSA:

In some cases, the present whereabouts are unknown and, in still fewer cases, the identity is not known for certain. The Department of Social Security already has powers to use its own records of names and addresses and the Inland Revenue’s records or names and addresses of

¹²¹White Paper, Children Come First, Volume I, p. iii. Note this can be linked to the desire that the benefit system did not act as a disincentive to work, discussed earlier.

¹²²HMSO, Child Support Agency Framework Document, (London: HMSO, September 1993), p. 6.

individuals and their employers to help locate liable persons...The Child Support Agency will need similar powers.¹²³

CONCLUSION

As this chapter has demonstrated, not only ideas, ideologies and policies but also institutions can be transferred between countries. Specifically, in the development of the British welfare-to-work system, the Government openly admitted to borrowing the structure of job clubs, Training and Enterprise Councils, Local Enterprise Companies and the Child Support Agency from the United States.

In addition to transferring the structure and functions of job clubs, TECs and LECs and the Child Support Agency from the US, I have demonstrated that the Government was inspired by and borrowed the structure of the Swedish Employment Service in developing the British Employment Service. Moreover, in this transfer I showed how the Government used the past as a guide to help inspire and shape the Service.

¹²³HMSO, Child Support Agency Framework Document, (London: HMSO, September 1993), p. 32. I should be noted that this was not necessarily transferred but resulted from the realities and goals of the Agency. However, seeing its use in the US undoubtedly helped justify the Government's decision to include this aspect of the legislation

Chapter 10

Conclusion:

**Why Study Policy Transfer
And What Are The Problems With
Its Current Conceptualization ?**

I. REVIEW

In Chapter one, I developed a heuristic model of policy transfer which could be used to organize and analyze policy development. In the remainder of my thesis, I utilized this model to illustrate its usefulness in enhancing our understanding of developments in the British and American welfare systems during the 1980s.. Specifically, I used a case study of the 1988 Family Support Act to demonstrate how the concepts associated with internal policy transfer could be used to reinterpret and enhance our understanding of the Act's development. I then used the information from these Chapters to develop a focused comparison of the United States and Britain. In this comparison, I used the concepts associated with cross-national policy transfer to show how the major developments in the British employment system were influenced by developments in the American welfare-to-work system. In particular, I showed how the Thatcher Government borrowed the rhetoric and programs of the American and, to a lesser extent, the Swedish welfare-to-work systems to justify, inspire and develop a British welfare-to-work system. Within these chapters I also drew attention to the occurrence of policy transfer from the past. In particular, Chapter eight demonstrated how the Beveridge Report influenced the decision to condition State aid for 16 and 17 year-olds on their participation in the Youth Training Scheme. Moreover, Chapter eight also illustrated that, despite official denials, the Government adapted the ideology, rhetoric and operation of American 'workfare' programs to develop a uniquely British version.

II. WHY STUDY POLICY TRANSFER? DEPENDENT OR AN INDEPENDENT VARIABLE?

This study has been concerned with the utility of the heuristic model of policy transfer I developed in Chapter one. First, I used policy transfer as a dependent variable; concentrating on the reasons why actors develop and advocate particular ideas and policies. Second, I used policy transfer as an independent variable; concentrating on the extent to which policy transfer shaped policy outcomes. Third, throughout my thesis I have been concerned to establish the validity and

usefulness of the model itself. Using my case study material, I shall further develop the heuristic model advanced in Chapter one in the final section of this Chapter.

The literature review I conducted in Chapter one, indicated that there was considerable confusion as to the appropriate approach to policy transfer. Some authors, like Bennett, use policy transfer as an independent variable to explain why a particular policy was adopted. In contrast, other authors, for example Richard Rose, treat it as a dependent variable, attempting to explain why transfer occurs. In my thesis I have used policy transfer as both a dependent and an independent variable. It was necessary to treat it as dependent variable to show why American and British policy makers engaged in policy transfer during the 1980s, instead of relying on other mechanisms of policy development. At the same time, I used the concept as an independent variable to explain how the Reagan Administration developed the 1988 FSA and the Thatcher Government developed the British welfare-to-work programs. Using policy transfer in these ways, clearly advanced our understanding of how and why Britain and the United States developed their welfare systems during the 1980s.

However, before elaborating on these themes it must be emphasized that, without examining policy transfer as a dependent variable, the true causes of transfer cannot be understood; nor would it make as much sense to discuss transfer without these motivating factors. I will return to these themes below.

A. Policy Transfer As A Dependent Variable

Throughout this thesis I have used policy transfer as a dependent variable. Specifically, every time I developed explanations as to why actors engaged in policy transfer I was using it as a dependent variable. For example, while examining the development of the 1988 FSA I demonstrated that the key events driving actors to engage in policy transfer were: dissatisfaction with the existing AFDC benefit system; Presidential Elections; and President Reagan's 1986 and 1987 State of the Union Messages. In the case of the United Kingdom, I demonstrated that the key factors were: dissatisfaction with the existing system; the emergence of unemployment as a political problem; the 1987 General Election; and feelings of comparative inadequacy.

Such an account relies upon essentially political reasons for engaging in policy transfer, indeed this is the dominant approach in the literature. However, it does not fully explain why policy makers engaged in transfer, because it fails to take account of the context in which the actors operated. To address these factors, in Chapters two and six, I demonstrated how the economic constraints of the 1980s shaped the decision of policy makers. Specifically, I showed that both the Reagan Administration and the Thatcher Government entered office committed to reducing public expenditure on social service programs. This desire, when combined with the world wide recession of the early 1980s, led both governments to engage in policy transfer as they searched for a means of reducing public expenditure through the curtailment of social program expenditure. Additionally, in Britain the public began worrying about the rise in unemployment caused by recession and earlier Government policies; thus providing an electoral imperative for the Government's search.

A final contextual variable I discussed in Chapters two, three and six, which led policy makers to engage in policy transfer was the emergence of Governments ideologically committed to New Right economic and social principles. So, to understand why the Reagan and Thatcher Administrations engaged in policy transfer in the development of their welfare-to-work policies we need a model which articulates political, economic and ideological variables.¹

1. Political Variables Affecting Policy Transfer In Both Countries

a. Dissatisfaction

It is clear from my case studies that, in both the US and Britain, dissatisfaction with the existing welfare system drove actors to engage in policy transfer. As an example, in Chapter two I discussed how American policy makers were dissatisfied with the growing cost of the AFDC program and its apparent link to the dramatic increase in single parent families. More importantly, conservative policy makers and

¹For a good but brief discussion of these factors see: A. Cochrane and J. Clarke, Comparing Welfare State: Britain in International Context (London: Sage, 1993). Esp. Chapters two and three.

academics began drawing links between the AFDC program and the existence of an apparent underclass, completely dependent on the AFDC program for its survival.

Similarly, in Chapter six I showed how dissatisfaction with the complexity of the welfare system, coupled with its perceived work disincentives leading to dependency on state benefits, drove British policy makers to engage in transfer.

b. Elections

In Chapters five and six I demonstrated that elections in both the US and Britain acted as a key factor leading to policy transfer. First, both the 1980 Presidential Election and the 1979 General Election brought Administrations into power committed to welfare reform. Although in the US, such reform always included the implementation of welfare-to-work legislation, in the UK the reform initially took the form of budget cutbacks linked to the overall desire to reduce the PSBR.² By the 1987 General Election the British Government was forced into another direction as the public's concern about the rising unemployment brought the possibility of electoral defeat.

2. Political Variables Affecting Policy Transfer Specific To Britain

a. Unemployment

As implied above, and discussed in Chapter six, another factor leading British policy makers into policy transfer was the rise in unemployment. In itself the rise did not encourage policy transfer. However, when coupled with the rise in public dissatisfaction and the forthcoming General Election, and the failure of earlier monetarist policies to curb the rise in social spending, policy makers were forced to examine policies capable of addressing these 'problems.'³

²Recall, from Chapter two, this was also a goal of the Reagan Administration and was one of the reasons given for the implementation of welfare-to-work legislation.

³It should be noted that in another interpretation the world-wide recession which contributed to the rise in unemployment was the true motivating factor in the decision of policy makers to engage in transfer. Or even the failure of earlier monetarist policies which brought about the rise in unemployment.

b. Comparative Inadequacy

In Chapters six and nine I also demonstrated that British policy makers were directed toward policy transfer as a result of a widespread belief that British education and training programs were inadequate. Specifically, I showed how the fear that Britain was falling behind its major economic competitors in the provision of education and training programs was a key motivating factor behind the decision to engage in policy transfer.

3. Political Variables Affecting Policy Transfer Specific To The United States

a. State Of The Union Messages.

President Reagan's 1986 and 1987 State of the Union Messages provided another political stimulus leading American policy makers to engage in policy transfer. In Chapter six I demonstrated that the 1986 State of the Union message began the process of internal policy transfer leading to the 1988 FSA by challenging Congressional policy makers to develop a welfare system capable of eliminating dependency and redressing the growing 'problem' of poverty amongst single parent families. Moreover, the 1987 State of the Union message provided the opening Congress needed to take the initiative in welfare reform away from the Administration.

4. Economic Variables Affecting Policy Transfer

While the above political variables influenced the decision of policy makers, they are insufficient by themselves to explain why policy transfer emerged as the 'solution' to the 'crisis' in welfare. Contextual variables must also be considered for a fuller explanation of policy transfer.

In Chapters two and six I showed that both the Reagan Administration and the Thatcher Government entered office committed to a reduction in overall government spending. To accomplish this aim both Governments began restructuring their

welfare systems. Initially, this was more pronounced in the United States because Ronald Reagan entered office with a commitment to the development of a national Community Work Experience Program as one of the primary mechanisms for driving down the cost of welfare. In Britain, welfare reforms were initially subsumed into the Government's overall efforts to reduce the PSBR through monetarism. However, as I showed in Chapter six, as the Government's monetarist policies failed (in part due to the world-wide recession in the early 1980s) and unemployment skyrocketed, the Government began searching for lessons in order to control and reduce the PSBR. So, the desire to reduce the PSBR in the face of rising unemployment and world-wide recession, further helps explain why the British Government began engaging in policy transfer.

5. Ideological Variables Affecting Policy Transfer

As alluded to above, and discussed in Chapters three and six, a further factor shaping the decision of policy makers to engage in transfer were the ideological beliefs of the Reagan and Thatcher Administrations. As I showed, both entered office influenced by New Right economic and social policy teachings. As such, they were predisposed towards the development of a welfare-to-work system which emphasized: mutual obligations; the end of dependency and welfare scroungers; and individual responsibility. Moreover, as I discussed in Chapter six and seven, the ideological similarities between the Reagan Administration and the Thatcher Government predisposed Britain towards transfer when the political and contextual variables forced it to develop new welfare policies.

B. Policy Transfer As An Independent Variable

1. United States (Internal Transfer)

I have used policy transfer as both a dependent variable and an independent variable throughout this thesis. In particular, in Chapters two through four, I utilized policy transfer as an independent variable to explain why the US developed the 1988 FSA. Specifically, I used the model of policy transfer to explain the origins and

evolution of various aspects of the Act. For example, in Chapters three and four I demonstrated how the policy transfer model developed in Chapter one could be used to explain why Congress included: the extensive support service requirements found throughout the Act; the Child Support Enforcement provisions of Title I (I returned to this in Chapter nine to illustrate the influence of the American CSES on the development and design of the CSA); and the internal elements of the JOBS program of Title II.

In this way I showed that Congressional and Administrative policy makers drew lessons from the United States to justify and design the internal elements of the Act. Moreover, in Chapter four I illustrated how Congressional policy makers copied various sections of the 1981 OBRA and 1982 TEFRA directly into the 1988 FSA when designing the internal elements of the JOBS program.

2. Britain (Cross-National Transfer)

In Chapters six through nine I used the model of policy transfer developed in Chapter one to help explain the development of the British welfare-to-work system. In these chapters, I demonstrated how various policy outcomes and programs can be explained using a policy transfer model, for example: the creation of the Community Programme; the decision to condition State aid for 16 and 17 year-olds on their participation in YTS; the development of the structure and purpose of the TEC and LEC system; and the use of Section 10 of the Social Security Act 1989 to implement a British workfare program.

Moreover, by using the model to examine the development of the British welfare system overtime, I was able to show how the Thatcher Government developed a welfare-to-work system as its understanding of the American and Swedish welfare-to-work systems grew. In Chapter seven and eight, I was also able to demonstrate that the developments in the American welfare-to-work programs were paralleled in the British system a short time later; a crucial point in establishing the occurrence of policy transfer. For example, in Chapter seven I showed that, as they learnt more about the developments in American welfare-to-work programs, the

British Government integrated the information garnered into the British Restart Program.

3. Better Than Conventional Explanations

By using policy transfer to analyze the development of the British and American welfare-to-work system, particularly the workfare program found within the British system, I have clearly demonstrated the utility of policy transfer in explaining given policy outcomes. Moreover, I have been able to show that the policy transfer model developed in Chapter one is more useful in explaining policy outcomes in the development of the American and British welfare systems than ethnocentric or even conventional comparative studies.

This is particularly true of the welfare reforms of the 1980s. Briefly, in most studies examining the welfare reforms of the 1980s little attention has been given to the role of policy development. Rather, studies tend to describe the changes within a single country without identifying the similarities or differences between countries. In contrast, the studies which purport to compare multiple countries tend, in fact, to use separate single country studies after an introductory chapter discussing the similarities or differences between the countries being studied. Moreover, studies which have tried to identify the similarities and differences between comparative developments in the welfare state during the 1980s tend to place the changes into a broad theoretical model which avoids examining the actual processes leading to policy development. By using policy transfer as an independent variable, I have transcended these studies to demonstrate that it is possible to conduct truly comparative studies without involving a macro-theory which avoids an examination of the meso-level processes involved in policy development.

C. Policy Transfer Is Both Independent And Dependent

I want to emphasize that, although I have just separately discussed policy transfer as a dependent and an independent variable, this is in fact an artificial distinction when analyzing the development of policy. As this thesis shows, in order

to appreciate fully the utility of a model of policy transfer, it must be used as both a dependent and independent variable. For instance, if I had demonstrated the use of American and Swedish welfare-to-work systems in Britain without showing why the Thatcher Government began looking for alternative arrangements, only half a picture of these developments would have been provided. Moreover, it would have allowed other models, especially macro-level models, to co-opt my findings without a true understanding of the processes driving actors to engage in policy transfer. For example, a New Right theorist might view policy transfer as simply a reflection of shared ideology; because Reagan and Thatcher were ideologically similar, they adopted each other's policies. More specifically, they might have explained away policy transfer by claiming that transfer never occurred; rather the New Right ideology pushed each administration in the same direction. At the very least, such an explanation overlooks the economic problems developing in Britain, such as the increase in public concern with unemployment or the failure of monetarism to bring the PSBR under control. Additionally, ideological explanations of transfer completely ignore the role elections played in both the British and American decisions to develop welfare-to-work system. Moreover, while not discussed in my thesis it is important to emphasize that explanations relying on the role of the New Right to explain the rise of welfare-to-work programs fail to account for why liberal governments, such as Australia and Sweden, followed broadly similar directions during the 1980s.⁴

D. Why Study Policy Transfer: Advancing The Model And Illustrating Its Usefulness

It is important to stress that, in using policy transfer as a dependent variable, I have been able to explain why Reagan and Thatcher developed welfare-to-work systems. This approach advances conventional ethnocentric explanations of welfare developments, because it shows why the two Governments moved toward welfare-to-work systems, rather than relying on the New Right's 'simple' explanation that it

⁴For a full discussion see: L. Bryson, *Welfare And The State* (Basingstoke: Macmillan, 1992).

results from similar ideology, or even Marxist interpretations that it is a necessary consequence of international economic constraints.

At the same time, by utilizing policy transfer as an independent variable, I have been able to explain the shape of the American and British welfare-to-work systems better than conventional ethnocentric or even standard comparative models do. For example, by using policy transfer as an independent variable I have demonstrated how American experiences influenced and shaped the British welfare-to-work system. If I had relied on conventional comparative analysis, I would have been less likely to achieve this, because such analysis tends to use single country case studies rather than looking at how one country or political system influences another. Even studies relying on aggregate level data, designed to seek the same information and using similar measurements across a range of countries to illustrate similarities and differences, fail to identify why these similarities exist or how one agent or country influence another. These gaps appear because studies relying on aggregate data seek out broad trends rather than examining the detail of these trends. Moreover: “It is not always clear whether the data are strictly comparable, since different countries may use slightly different definitions,” of what is contained within the data.⁵

Using my model of policy transfer, I have demonstrated why the Reagan Administration and Thatcher Government developed welfare-to-work programs and then how the American experience with these programs helped to shape the design and development of the British system.

Moreover, by using policy transfer as both a dependent and independent variable I have identified some of the problems with it as a model and, particularly, with the way it has been used within the literature to date. In addition, I have discovered some possible ways to advance the model beyond its current confines.

III. WHAT ARE THE PROBLEMS WITH THE LITERATURE?

The literature review and my case studies revealed several problems with the use and conceptualization of policy transfer. First, the policy transfer literature, and

⁵A. Cochrane and J. Clarke, Comparing Welfare States, p. 7.

my own use of it, is has been highly influenced by the pluralist model of how power is distributed within society. This perspective leads to the implicit normative view that the process extends participation in the decision making process and that this is a good thing. There are two further problems with the existing use of policy transfer which have emerged from this thesis. First, there is a reliance on intentional explanations as to why actors engage in transfer. This is then linked to an implicit assumption that policy makers are rational in their decisions to engage in policy transfer. Second, there is a problem with definitions, particularly in regard to problems and solutions.

A. Pluralism, Pluralism And More Pluralism

As my literature review demonstrated, policy transfer is associated with the pluralist perspective. Briefly, implicit within most discussions of policy transfer is the view that the process brings new actors and ideas into the decision making process. This has led to an emphasis on the role of politicians and bureaucrats in the spread of policies and ideas, often at the expense of other actors. Moreover, the pluralistic nature of the literature leads to an over-emphasis on intentional, as distinct from structural, explanations as to why and how transfer occurs.⁶ This is most clearly demonstrated by the implicit belief, both in the literature and my own study, that political actors are rational, calculating subjects deliberately borrowing policies to protect and expand their interest. Associated with this is the implicit assumption within policy transfer that actors are aware that they are engaging in policy transfer; either directly, as when they choose to look for a policy, or indirectly, as when a government is forced to adopt a policy by an outside force.

While I also analyze policy transfer from a pluralistic perspective, it is important to emphasize that substantially more work needs to be done to bring in other perspectives. For example, when discussing involuntary policy transfer, such as

⁶For a full discussion of the structure-agency arguments see: C. Hay, "Structure and Agency: Holding the Whip Hand," in: D. Marsh and G. Stoker, *Theory and Methods of Political Science*, (London: Macmillan, 1995), pp. 189-206 I will address this problem from a structural view when linking policy transfer to new institutional approaches.

when the IMF forces a government to adopt a particular economic policy to qualify for a loan, it highly questionable whether a pluralist perspective is appropriate.

1. Extending participation?

As noted, while the vast majority of the literature implicitly views the process of policy transfer as expanding the number of ideas and actors in the policy making system, an alternative view would call into question the belief that policy transfer extends participation. For example, from a slightly different perspective, if policy makers are looking to draw lessons from polities which are similar in institutional, economic and cultural makeup, it might be argued that, instead of expanding the number of ideas and actors involved in the decision making process, policy transfer enhances the power of a relatively small circle of actors who consistently draw lessons from each other. So, if policy transfer occurs within relatively closed international policy communities, then, instead of introducing new ideas, lesson drawing simply reinforces the existing system, for the same ideas will be circulated amongst like-minded nations, thus maintaining the status quo. Of course, to a large extent, this is an empirical question. So, future studies should analyze the extent to which policy transfer limits or expands participation. Perhaps one way to do so would be to link it with the emerging literature on policy communities and networks.

2. Overemphasizing Politics and Intentional Explanation

Obviously, policy transfer involves strategic political judgments and, as demonstrated, the key actors involved in the process are politicians and bureaucrats. However, it is not possible to explain policy transfer solely in terms of the decisions of political actors. This is because actors make their decisions in a context they are generally unable to alter. This said, most analysts of policy transfer still play down such constraints. As Richard Rose argues: "Even though institutions are necessary, it does not follow that they are important...A new program can usually be administered

in more than one way; insofar as this is the case, one institution can be substituted for another.”⁷

This conclusion is misguided. The problem with neglecting institutions is that they play an integral role in structuring the actions and values of actors working within them. As noted by March and Olsen, “Political institutions determine, order [and] modify individual motives...in terms of institutional interests.”⁸ Additionally: “Expectations, preferences, experiences and interpretations of others actions are constructed within political institutions.”⁹ Moreover, as March and Olsen argue, institutions are also crucial in shaping which actors search for lessons and where they look: “Political behavior [is] embodied in institutional structures of rules, norms, expectations, and traditions that [limit] free play of individual will and calculation.”¹⁰

In fact, institutions are so important that governments often attempt to change institutional structures to enhance their own power. For example: “In some countries the party of government...influence the boundaries of election districts...registration laws [in an attempt of enhance their electoral position]. Moreover, in: “unitary states, the party in power nationally can often restructure sub-national government structures,” to enhance their own power base.¹¹ Clearly, this is one of the primary goals behind the most recent round of local government restructuring.

Moreover, there are international constraints involving either international agencies or TNCs. Indeed, in some cases of coercive transfer actors have little or no autonomy of action. Certainly, there is little doubt that the decisions of the European Court of Justice force member states of the European Union to alter their internal policies. Similarly, a TNC may have sufficient economic power to influence

⁷R. Rose, *Lesson-Drawing in Public Policy*, (Chatham, NJ: Chatham House, 1993), p. 123.

⁸J. March and J. Olsen, *Rediscovering Institutions*, (New York: Free Press, 1989), p. 3.

⁹J. March and J. Olsen, *Rediscovering Institutions*, p. 39.

¹⁰J. March and J. Olsen, *Rediscovering Institutions*, p. 5. In fact, institutions are so important governments often attempt to change institutional structures to enhance their own power. For example: “In some countries the party of government...influence the boundaries of election districts...registration laws...[to enhance their electoral position].” While: “In unitary states, the party in power nationally can often restructure sub-national government structures,” to enhance their own power base. P. Dunleavy, *Democracy Bureaucracy and Public Choice*, (New York: Harvester Wheatsheaf, 1991), p. 123.

¹¹ P. Dunleavy, *Democracy Bureaucracy and Public Choice*, p. 123.

Government policy by threatening not to invest in a given country unless policy concessions are made.¹²

It is important to emphasize here that none of this denies the role of individual actors in policy transfer. Rather, I would argue that the approach needs to be expanded to include the role institutions and structures play in constraining and facilitating the process. By neglecting the role of institutions and structures, academics and students utilizing a model of policy transfer will fail to develop a comprehensive understanding of policy transfer.

3. Rationality Here and There: Rationality Everywhere

As previously discussed, much of the literature on policy transfer assumes that agents of transfer are rational and calculating.¹³ In this view, policy transfer is driven by dissatisfaction, working through sanctions. Specifically, policy makers engage in policy transfer to reduce the possibility of incurring electoral defeat. In this process it is assumed, rather naively, that decision makers evaluate the cause and effects of problems, choosing the best possible solution. Rose refers to this process as ‘prospective evaluation’, which: “starts by observing how a program operates in another country and develops a model of what is required to produce its effects here.”¹⁴

However, dissatisfaction is not the sole cause of even voluntary transfer. So, while the literature focuses upon rational actions to reduce the fear of sanctions, when policy transfer occurs below the level of government officials, the implicit rationality of engaging in lesson drawing to reduce the possibility of sanctions loses much of its explanatory power.

There is a related problem. Most models of policy transfer depict the decision making process as rational, following explicit steps on the way to a logical decision. However, research into policy making does not match this model. Many studies

¹²For more information see: R. Hague et al. *Comparative Government and Politics* (Hong Kong: Macmillan, 1992), esp. p. 103-108 and D. Marsh, “The Convergence Between Theories of the State.”

¹³For more information see: chapter seven.

¹⁴R. Rose, *Lesson-Drawing in Public Policy*, p. 33.

emphasize that policy making is a messy arena in which different policy, solution and problem streams must meet at the right moment for a policy to develop.¹⁵

B. What are Problems and Solutions

There is another persistent problem in the use and conceptualization of policy transfer as an independent variable; its conceptualization of the role which subjective perceptions and judgments play in the definition of problems and solutions. It is recognized that problems and solutions are based upon subjective impressions, but most authors brush over the issue with statements like: "The definition of a satisfactory, or at least a 'not unsatisfactory' program is problematic. The aspirations against which achievements are judged are not given, but a social construction."¹⁶ However, few scholars look at how social constructions affect the definitions of problems or solutions. More importantly, they ignore the way subjective definitions affect how searches are conducted and where and what solutions are investigated. The two notable exceptions to this trend are Charles Anderson¹⁷ and Harold Wolman,¹⁸ who attempt to demonstrate the influence subjective perceptions have upon definitions of public problems, but these studies have not been capitalized upon within the wider literature on policy transfer. Considerable work must be done in this area in the future to advance the theoretical underpinnings of the work.

¹⁵See: M. Cohen, J. March and J. Olsen, "A Garbage Can Model of Organizational Choice," *Administrative Science Quarterly*, vol. 17 (1972): 1-25; J. Kingdon, *Agendas, Alternatives, and Public Policies*, (US: Harper Collins, 1984); J. Pressman and A. Wildavsky, *Implementation: How Great Expectations in Washington are Dashed in Oakland*, (Berkeley, CA and Los Angeles, CA: University of California, 1973). It must be noted that a few authors have begun to examine the process of policy transfer in light of these studies; demonstrating how the process of transfer can emerge through the combination of actors and processes in different policy streams. See: G. Stoker and K. Mosberger, "The Dynamics of Cross-National Policy Borrowing," Paper presented at the Urban Affairs Association Conference, (5 March 1994) New Orleans, USA; J. Waltman and D. Studlar, *Political Economy: Public Policies in the United States and Britain*, (Jackson, Mississippi: Jackson University, 1987); D. Robertson and J. Waltman, "The Politics of Policy Borrowing," Paper presented at the Annual meetings of the American Political Science Association, 3-6 September, 1992, Chicago, Ill.

¹⁶R. Rose, *Lesson-Drawing in Public Policy*, p. 59.

¹⁷C. Anderson, "The Logic of Public Problems."

¹⁸H. Wolman, "Cross-National Comparisons of Urban Economic Programs," in D. Fasenfest (eds.), *Local Economic Development Policy Formation* (New York: M.E. Sharp Inc, 1988).

C. Ways Forward

In conclusion, I would like to suggest 3 theoretical positions which could potentially advance the use and understanding of policy transfer into the wider political science literature. More importantly, these approaches may also be used to further interpret and explain policy transfer: new institutionalism; rational choice theory; and neo-Marxism. I want to stress, that while my treatment here is brief, this is an area I intend to develop in future work

1. New Institutionalism

One approach which could be integrated with the model of policy transfer developed in Chapter one is New Institutionalism. As discussed above, while critiquing Rose's denunciation of institutions, the New Institutional approach adopts a structuralist position which emphasizes the importance of institutional constraints. As noted earlier, March and Olsen argue that political institutions structure attitudes and values. One possible way of integrating this view within a policy transfer model might be to show how particular institutions shaped the actor's assessment of the decision making scheme. Once this has been demonstrated, we could explore how these schemes determined where actors looked for given lessons. Moreover, it should be possible to see how the institutional constraints on the legitimacy of an actor to engage in policy transfer in a given situation affected who engaged in policy transfer within the institution. This also leads to an exploration of how and when actors are able to feed information into the decision making arena.¹⁹

For example, while examining the development of the 1988 FSA I demonstrated how the internal balance between the President and Congress shaped the final Bill. Moreover, I demonstrated how the committee structure and partisan balance within Congress itself influenced the development of the Act. I also showed how different groups, actors and ideas were legitimated during different stages of the legislative process.

¹⁹March and Olsen, Rediscovering Institutions.

2. Rational Choice Theory

There are a variety of explanations of policy making and of the role politicians and bureaucrats play in the process from a rational choice theory perspective. Dunleavy's work is particularly interesting.²⁰ He is not specifically concerned with policy transfer, but his work suggests at least 2 directions for future research. First, as noted above, Dunleavy's bureau-shaping model would downplay the idea that policy transfer results from the search by decision makers for 'better' solutions. Rather, it would stress the self interest of politicians and, particularly, bureaucrats. Policy transfer would be a preferred option for bureaucrats as it makes their job more interesting, encourages foreign travel etc. Second, Dunleavy and Ward emphasize how politicians can manipulate the preferences of citizens about both what issues and problems are legitimate functions of governments and what are legitimate claims upon government by the citizen. According to this view, politicians can even change structures in order to manipulate preferences.²¹ As such, preferences are not given, as pluralism implies, they are structured. So, this approach would see policy transfer as driven by the self interests of politicians and bureaucrats; with electoral competition as perhaps the key stimulus to the process. This is a key model because helps address questions of why actors engage in policy transfer, which is one of the key areas being neglected within the literature. Moreover, once a theory of why actors engage in transfer has been established it can link the actual process of policy transfer to macro-theories of policy development, helping to develop a comprehensive model of international policy development.

3. Neo-Marxism

Finally, a neo-Marxist perspective would see policy transfer as a means of maintaining the existing order and position of the political actors who engage in

²⁰P. Dunleavy, *Democracy, Bureaucracy and Public Policy*.

²¹Dunleavy, *Democracy, Bureaucracy and Public Policy*. see foot note 6.

transfer. For example, Ward's recent work is concerned to establish the ways in which: the market responds to crisis; the state responds to crisis; and the process of co-evolution between the market and state.²² So, for example, as far as the market is concerned, Ward argues that, during periods of economic crisis, there are greater pressures upon corporations to adapt. Corporations search for innovations and those which are successful are more profitable. Successful adaptations are imitated, while unsuccessful mutations are discarded. However, Ward views the role of the State as a crucial adjunct to such change. The State intervenes in the market not just, or even mainly, as a response to the needs of capital, but also in order to forward its own interests. So, for example, the State may: manipulate the taxation and expenditure policies to increase State revenues; control imports or exports for strategic reasons; or restrict union power to create an image of governing competence. In Ward's terms economic crisis will 'eventually generate a crisis of political exploitation.' At such times, the economic surplus which the state elite uses will shrink and it will be more difficult to legitimize political exploitation and ensure re-election as economic exploitation becomes more obvious and citizen's economic expectations are depressed. In such circumstances, the policy makers will 'search for policy initiatives aimed at overcoming crisis in the economy'²³ As with corporations, policy makers will first search for policies which don't involve radical change. They may: rediscover prior policy solutions; emulate solutions used in other countries; or re-articulate diverse elements of existing policies.

²²H. Ward, "State Exploitation, Capital Accumulation and the Evolution of Modes of Regulation: A Defense of Bottom Line Economism", paper presented at the PSA Annual Conference, University of Leicester, April 1993.

²³Ward, "State Exploitation," p.27.

APPENDIX A

STATISTICS: WITH A LITTLE WORK THEY GIVE A TRUE INDICATION OF THE EXTENT OF WELFARE-TO-WORK PROGRAMS IN BRITAIN.

I. GENERAL STATISTICS

It is important to review British government statistics because they clearly illustrate that welfare-to-work programs were reducing the number of individuals claiming benefits. This review will also demonstrate the Government's use of welfare-to-work programs to ensure individuals were: available for employment and training programs; accepted offers of employment when presented to them; and did not decline 'invitations' to official interviews, especially after the introduction of the Restart Program and new questionnaires in 1986.

In other words, statistics clearly indicate the underlying philosophy of welfare-to-work programs: the desire to reduce the number of benefit claimants; ensure that individuals were undertaking some activity in return for their benefits; and ensure that benefit recipients accepted offers of employment and training when offered was fulfilled by the British welfare-to-work system.

To begin, Table 6 indicates that the number of benefit claimants disqualified increased throughout the 1980s as the Government gradually introduced welfare-to-work programs. Moreover, after the introduction of the Restart program and new claimant questionnaires the number of individuals disqualified on the grounds of availability for and refusals of employment and training sky-rocketed. For example, in 1985 only 48,202 individuals were disqualified on grounds of availability. In 1987, the first full year in which Restart and new questionnaires were operational, this jumped to 85,319. This represents a near doubling (39,117) of disqualification due to questions of availability. This pattern is also apparent in the number of individuals ruled to have unduly restricted their availability. This figure almost tripled during the period from 5,660 to 16,455.

Table 6

Disallowance of unemployment-related benefits made by Adjudication Officers								
Reason	for	1979	1983	1985	1986	1987	1988 ¹	1989 ²
Disallowance								
All Questions		824,788	977,978	999,441	1,081,393	1,078,891	869,891	634,453
Failure to attend interview		390	325	254	617	256	65	225
Availability		28,114	50,243	48,202	61,402	85,319	73,842	41,361
Restricted Availability		8,403	6,994	5,660	7,371	16,455	21,424	16,326
Refusal or premature termination of Training		380	1,249	7,008	6,322	6,496	3,881	863
Refusal of Suitable Employment			1,883	2,296	3,187	4,321	2,281	2,780
Restart		N/A	N/A	N/A	505	1,201	1,038	492
Other Questions		22,264	59,626	75,556	83,502	83,903	38,014	24,552

Source: official statistics published in Parliamentary Debates (Hansard) House of Commons.

1. Figures compiled from: DSS Unemployment Benefit Statistics Half-Yearly Analysis of Decisions of Adjudication Officers June and December 1988 (London: HMSO, 1988).

2. Figures compiled from DSS, Unemployment Benefit Statistics: Quarterly Analysis of Decisions of Adjudication Officers, March, June, September and December 1989, (London: HMSO, 1989).

Table 6 also indicates that, even though the Government consistently denied individuals could lose their benefits as a result of Restart it was occurring. Why else would the Government published statistics on the number of recipients losing their benefits as a result of Restart (I will return to this toward the end of this appendix)?

Finally, while the statistics for 1988 and 1989 show a reversal of the upward trend in benefit disqualifications, there are several reasons why this should be expected. First, by this time earlier effects would have removed a considerable number of individuals from the benefit system. Moreover, by 1989 the reforms to the benefit qualification rules would have discouraged many from ever entering the system. Additionally, 16 and 17 year-olds were removed from the statistics all together as a result of the Social Security Act 1988.

It is also questionable whether the statistics were compiled in the same manner. This was a problem Alex Bryson and John Jacobs also found in their study *Policing the Workshy*. In this study they note three difficulties of working with Government statistics which I also encountered. Specifically, they found it difficult to work with Government Statistics because of: "the unavailability of some essential information; the near-unintelligibility of the published information; and the

discrepancies between different official statistics which supposedly related to the same topic.”¹

A final factor which helps explain the fall in the number of individuals being disqualified from receiving benefits was identified by both White and Lakey in *The Restart Effect*, and Ms. Short during Parliamentary Debates. Specifically, they argue that by 1989 most benefit recipient believed they were required to accept any offer of work or training presented during an interview. So, the number of individuals disqualified for refusing training and employment should have fallen.

II. ACTUAL VS. REFERRED: THE EFFECTS OF WELFARE TO WORK ARE REVEALED!²

The statistics in Table 6 reflect the number of claimants disqualified by Department of Employment Adjudication Officers not the number referred to Adjudication Officers. Because of the way the statistics were released the harshness of the new rules had a substantially greater effect than the above statistics indicate. This is because individuals lost their benefits until the adjudication authorities ruled in their favor, which could take up to 13 weeks. An indication of these differences can be seen in the number of individuals referred to Adjudication Officers for questions of availability and refusals of employment versus the number disqualified. However, before reviewing the statistics, I want to stress that, given the rule changes issued to Unemployment Review Officers and later New Claimant Advisors it should be expected that numbers referred to Adjudication Officers would increase faster than the actual number of disqualifications. That said, Table 7 clearly indicates that after 1986 there was a substantial rise in both referrals and disqualifications.

¹A. Bryson and J. Jacobs, Policing the Workshy: Benefit Controls, the Labour Market and the Unemployed (Aldershot: Avebury, 1992), p. 41. The third problem will become apparent below when I examine official statistics relating to the Restart Programme. The ‘official’ statistics do not match up with the ‘official’ statistics listed above, even though they are all drawn from Parliamentary Debates and the Department Of Social Security’s Unemployment Benefit Statistics.

²Notice the difference between the numbers being disqualified from the numbers being referred to Adjudication Officials. This indicates one of the reasons for the necessity of the Social Security Acts 1988 and 1989. For while the welfare-to-work programs were reducing the roles and strengthening the link between training, work and benefit the Adjudication Officials were overturning over half of the Claimant Advisor decisions for both employment and availability decisions

As expected, Table 7 illustrates the immense jump in the number of individuals referred to Adjudication Officers for doubts about their availability for work or training after 1986.

Table 7.

Claims referred to adjudication officers and claims disallowed availability for work and restricted availability

Year	Availability		Restricted Availability	
	Referrals	Disallowance's	Referrals	Disallowance's
1983	97,844	50,243	21,853	6,994
1985	100,474	45,930	16,520	5,617
1986	114,447	61,402	23,868	7,371
1987	171,515	85,3319	68,400	16,455
1988 ¹	150,889	73,824	90,463	21,424
1989 ²	83,400	41,361	64,080	16,326

Source: Parliamentary Debates (Hansard) Official Record House of Commons, 25 January 1989, vol. 144, col. 615-616.

¹ Figures compiled from: DSS Unemployment Benefit Statistics Half-Yearly Analysis of Decisions of Adjudication Officers June and December 1988 (London: HMSO, 1990).

² Figures compiled from DSS, Unemployment Benefit Statistics: Quarterly Analysis of Decisions of Adjudication Officers, March, June, September and December 1989, (London: HMSO, 1989).

Briefly, in 1985 only 100,474 individuals were submitted to Adjudication Officials; this jumped in 1987, the first full year after the introduction of the new rules, to 171, 515. This represents an increase of 71, 041 over the two years compared with an increase of only 2,630 between 1983 and 1985, the two years prior to the introduction of the new rules. Additionally, almost double the number of individuals were submitted to Adjudication Officers as were officially disqualified. This clearly indicates the hardship of the new rules were more severe than official statistics suggest and substantially more sever then Government officials admitted during Parliamentary Debates.

Table 7 also illustrates the increased use of the restricted availability rules after the introduction of Restart. In 1985 only 16, 525 individuals were referred to adjudication officers under the restricted availability rules. By 1987, the first full year Restart was operational, this jumped to 68,400. This represented a difference of 51, 875 individuals between the last year without Restart and its full year it operation. In fact, as Table 7 indicates, while the number of individuals referred to adjudication officers due to questions on their availability declined between 1987 and 1988, this

decline was more than offset by the increase in the number referred based upon restricted availability.

As Table 8 indicates, statistics on the number of individuals referred to Adjudication Officers for failure to accept suitable employment, compared to those disqualified, indicate the same trend in British welfare-to-work programs as in availability figures. In fact, after the introduction of the Restart Program the number of claimants being referred to adjudication officials dramatically increased, while the number actually disqualified rose at a considerably slower rate, indicating the inaccuracy of Departmental decisions.

Table 8.

	Neglect to avail of a reasonable opportunity of suitable employment		Refusal of suitable employment	
	Referred	Disqualified	Referred	Disqualified
1983	748	433	5,030	1,450
1985	1,564	762	5,331	1,534
1986	2,906	1,242	6,654	1,945
1987	5,176	2,013	7,783	2,308
1988 ¹	8,881	3,092	7,314	2,281
1989 ²	7,699	2,923	8,442	2,780

Source: Parliamentary Debates (Hansard) Official Record House of Commons, 25 January 1989, vol. 145, col. 616.

¹ Figures compiled from: DSS *Unemployment Benefit Statistics Half-Yearly Analysis of Decisions of Adjudication Officers June and December 1988* (London: HMSO, 1990).

² Figures compiled from DSS, *Unemployment Benefit Statistics: Quarterly Analysis of Decisions of Adjudication Officers, March, June, September and December 1989*, (London: HMSO, 1989).

Before continuing I should note that unless otherwise indicated, I am using statistics released by the Government during Parliamentary Debates and by the Department of Social Services (Department of Social Security) in the *Unemployment Benefit Statistics Quarterly and Annual Analysis of Decisions of Adjudication Officers*. I chose to use these statistics because they were widely available to the public and were the official answers, or basis of these answers, given by the Government to Parliamentary Questions.

While I am relying on data released by the Government, it must be noted that this data is inconsistent over time and does not match data released by other sources. For example, Bryson and Jacobs found the official statistics revealed that: "the number of disallowance's from October 1989 to May 1990 was larger than that for

the whole year from September 1989 to September 1990, which of course is impossible.”³ While the Organization for Economic Cooperation and Development (OECD) found more individuals being disqualified due to questions of their availability than the official statistics suggest. For example, in 1987 OECD reported 103,339 individuals as being disqualified for reasons relating to availability and restricted availability while Government statistics reveal only 101,744 individuals.⁴ This inconsistency further confuses the accuracy of the data, making it necessary to choose one source in an attempt to establish some reliability and consistency in the analysis.⁵

It should also be noted that after 2 April 1990 neither the Department of Employment nor the Department of Social Security would provide answers about the number of individuals disqualified by adjudication officials. As noted, on 2 July 1990: “The employment service became an executive agency on 2 April 1990. Mr. Mike Fogden, the Employment Service agency’s chief executive, will be replying in writing to my hon. Friend.”⁶ A similar response was provided by the Department of Social Security: “Social security operational matters are the responsibility of the chief executive of the Social Security Agency. I understand, however, that the information requested is not available.”⁷ This is a key citation because Mr. Hanley was responding to a question on the number of individuals disqualified for not actively seeking work and refusing suitable employment. This suggest that by 1990 the executive agencies responsible for compiling this data had stopped collecting it, at least according to Ministers.

III. YORKSHIRE AND HUMBERSIDE: THE TRUE EFFECTS!

The aggregate data used in Tables 6-8 indicate the effectiveness of welfare-to-work programs in reducing the number of benefit claimants and linking the receipt of benefits to work and training programs. However, the effects are more starkly shown

³A. Bryson and J. Jacobs, *Policing the Workshy*, p. 42.

⁴OECD Documents, *The Public Employment Service In Japan, Norway, Spain and the United Kingdom* (Paris, OECD, 1993), p. 69.

⁵For a further discussion on the unreliability and differences in Government released data see: A. Bryson and J. Jacobs, *Policing the Workshy*, p. 41-44.

⁶Parliamentary Debates (Hansard) Official Record House of Parliament, 2 July 1990, vol. 175, col. 474.

⁷Parliamentary Debates (Hansard) Official Record House of Parliament, 19 July 1991, vol. 195, col. 294.

by an analysis of one of the unemployment ‘black spots,’ during the 1980s: the Yorkshire and Humberside region.

As with the aggregate level data, Table 9 illustrates that between 1983 and 1988 the number of individuals disqualified by Adjudication Officials for all questions regarding availability increased, especially in relation to questions of restricted availability. What is truly striking about the data in Table 9 is the six-fold increase in the number of individuals disqualified for ‘prematurely’ leaving training programs. This is especially noteworthy because, as we saw, the Government continually insisted training was voluntary, so technically no one should be disqualified for leaving training programs; certainly not six times more in 1988 than 1986.

Disallowed claims form unemployment benefit in the Yorkshire and Humberside region			
	1978	1983	1988
Availability	2,417	7,948	8,341
Restricted availability	459	803	2,212
Refusal of suitable employment	478	158	264
Premature termination of training	38	84	537

Source: Parliamentary Debates (Hansard) Official Record House of Commons 5 July 1989, vol. 156, col. 198.

It is also interesting to examine these figures because they go back to 1978, so a brief picture of what it was like before the Thatcher Government entered office emerges. Notice, every category of disqualification increased between 1978 and 1983. Especially striking is the increase in the numbers disqualified on grounds of restricted availability, increasing from only 478 in 1978 to a massive 2,212 in 1988. Even more dramatically, there was a 14-fold increase in the number of disqualification’s for premature leaving training between 1978 and 1988.

IV. RESTART IS WORKFARE

Finally, it is worth examining Restart statistics for not only do they contradict earlier statistics on the number of individuals disqualified as a result of Restart presented in Table 6, but they clearly indicate Restart was being used to eliminate

benefit recipients and funnel the remaining individuals into regular jobs or the Employment Training Scheme.

Table 10

Statistics for The Restart Programme 1 July 1986 to March 1989

	Totals
Called for a Restart interview	3,065,636
Attended a Restart interview	2,249,707
Referred to UBO for failing to attend a Restart interview	325,547
Called for a Restart follow-up interview	25,387
Attended a follow-up interview	301,606
Referred to UBO for failing to attend a follow-up interview	220,207
Been disallowed after referral to UBO	Not available separately (in (d) above)

Source: Parliamentary Debates (Hansard) Official Record House of Commons, 18 July 1989, vol. 157, col. 173-174.

Table 10 indicates that between 1 July 1986 and March 1989, Adjudication Officers disqualified 25, 387 individuals as a result of the Restart Program. Compare this information to Table 6, indicating that only 3,237 individuals were disqualified from benefit between 1 January 1986 and 31 December 1989 as a result of Restart. Not only does this data call into question the integrity Government released statistics, but it demonstrates the use of Restart to police the benefit system as Opposition members claimed.

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