

Workfare's Misguided Critics

By Mickey Kaus

WASHINGTON
In 1935, in the middle of the Depression, President Franklin Delano Roosevelt ended a huge Federal program that gave cash welfare to the able-bodied poor, declaring it "a narcotic, a subtle destroyer of the human spirit." Instead, he created a large public jobs program, the Works Progress Administration, which eventually employed more than three million Americans and built a lot of New York City's public works, including La Guardia Airport.

What would happen today if we substituted F.D.R.-style public jobs for cash welfare in New York City? We now know the answer. The effort would be attacked for taking work away from unionized municipal

Many of those finding fault with welfare reform don't understand the goals.

workers. It would be called "slavery" by union officials and criticized for forcing the poor into "menial" tasks like cleaning parks. Such jobs, the critics would complain, don't necessarily lead to good private employment. These are the accusations currently leveled at Mayor Rudolph Giuliani's workfare program — which, like the W.P.A., offers the poor last-resort jobs instead of a cash dole.

Roosevelt's rationale for the W.P.A. was basically the same as the rationale for workfare today: if people can't find private sector work, it's better to give them useful public jobs than to pay them to sit at home and do no work at all. The main difference is that today's workfare programs extend that rationale to a group the W.P.A. didn't cover: single mothers, who often need subsidized child care.

Workfare, and welfare reform in general, offer a way to "break the culture of poverty and dependence," as Bill Clinton said during the 1992 Presidential campaign. The idea is not merely to give those on welfare the dignity of earning their way.

The hope is that once work is required, those not on welfare will avoid making the decisions — like having children out of wedlock — that might put them on welfare. Eventually, communities of mainly fatherless welfare families will become communities of mainly intact working families. That's the hope, anyway.

Workfare in New York has hardly been perfect. Recent published reports have revealed major holes in the city's child care system. Other accounts, and a lawsuit, have de-

Mickey Kaus, the author of "The End of Equality," writes a column for *State* magazine.

scribed workers as lacking adequate protective gear and restrooms.

But these problems can be fixed. Working conditions have already improved. The Mayor's latest budget more than doubles the money set aside to provide child care to help welfare mothers go to work.

And other, broader criticisms of workfare reflect basic misunderstandings of its role, and of the goals of welfare reform. Here are the main spurious criticisms:

• "Workfare doesn't move people into private full-time jobs."

Only those who fail to find private sector work wind up on workfare. Let's say someone walks in the door of a welfare office. If the reformed system works as it should, a case worker would immediately try to "divert" that person into private work by, say, helping her find child care, if lack of it is the reason she is unemployed. Those who aren't diverted then go through a "job search" program, which teaches job-hunting techniques and provides leads. Only if the person can't find a job in 30 days would he or she "work off" the welfare check in a workfare job.

It's crazy to expect the people who end up in these last-resort jobs to be the ones who will fly out the door into the private sector. The people who move most quickly into private jobs will be those who don't show up at the welfare office in the first place, because they figure that as long as they're going to have to work, they might as well go straight into private employment. If these people are getting jobs, the only statistical indication will be a declining welfare caseload. New York City's caseload has fallen by almost a third in three years.

Jason Turner, Mr. Giuliani's new Commissioner of the Human Resources Administration, plans to do more to help welfare recipients find work in the private sector, through job search efforts that continue after recipients are assigned to workfare.

Even so, many will stay on workfare without finding private jobs. But at least they're working. They



can hold their heads up. And there is some evidence that workfare teaches discipline — like showing up on time — that can be useful in preparing these workers for the labor market. A study conducted in San Diego by the Manpower Demonstration Research Corporation found that one group that got job search training followed by workfare was about 32 percent more likely to be employed a year and a half later than those who received only job search training.

• "Most of those dropped from welfare don't get jobs."

There has been a big fuss about a survey showing that only about 30 percent of those who came off the welfare rolls in New York City from July 1996 through March 1997 showed up on the tax rolls as earners in the first quarter after they left welfare. But the survey doesn't in-

clude those who, thanks to workfare, go right into jobs without ever applying for public assistance. It doesn't count self-employed workers — like waitresses, laborers or day care providers — if they don't report their earnings. It doesn't count the large number of employers who file their quarterly reports late, or not at all.

Most important, welfare reform hasn't necessarily failed just because single mothers leave the rolls and don't take jobs. Many women leave the rolls because they marry men who can support them. Some get help from friends or family. If former welfare recipients were showing up in shelters or on the streets, that would be bad news. But that doesn't seem to be happening.

• "Workfare workers are doing jobs once performed by regular civil servants."

Sometimes critics complain that workfare jobs are menial or dead-end. At other times they complain that workfare is taking desirable civil service jobs away from others. Which is it? The truth is that the more useful the work is — cleaning streets, for example — the more likely it is to be work that regular city workers once did, or still do.

It's perfectly reasonable for unions to insist that no current civil servants be laid off to make way for workfare. But once jobs open up through attrition or buyouts, why not fill them with workfare workers? Sure, workfare wages are lousy. Workfare can't pay union wages, or else half the city would go on welfare to get a workfare job.

Last-resort wages, as F.D.R. said of the W.P.A., must be "not so large as to encourage rejection of opportunities for private employment or the leaving of private employment to engage in government work."

Incidentally, Roosevelt had trouble with unions, too. In 1939, they demanded that the W.P.A. pay "prevailing" — that is, union — wages, and they staged a strike. F.D.R. broke it. □

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Foreign Affairs

THOMAS L. FRIEDMAN

Booting Up Africa

Jim Lowenthal is wiring Timbuktu.

Mr. Lowenthal runs a small Internet company based in Morocco that has an unusual contract from the U.S. Agency for International Development. His job is to go to the most remote African countries and establish Internet nodes in their capitals so that anyone there can make a local phone call and get on the World Wide Web. He's already helped bring Mali, Madagascar, Mozambique and Guinea on line, and is in the process of wiring Benin, the Ivory Coast and four others, as well as helping design Internet access for Timbuktu, in Mali — the city that is a synonym for the most obscure spot on earth.

"Timbuktu is a small town, but in the 14th century its university was a center of learning for the Arab world, because it was a key crossroad for caravans traversing the Sahara," said Mr. Lowenthal. "It's now a town of sand and shrub but with amazing archives that are piled up and deteriorating. The Mali Ministry of Culture would love to share them with the world but they never had a way. The Internet gives them the way."

Projects like Mr. Lowenthal's highlight why globalization can leave one simultaneously optimistic and pessimistic about Africa. Globalization does two things at the same time: It increases the gap, further and faster than ever before, between those partaking of the information revolution and the global economy and those who are not. So the gap between the Rift Valley and Silicon Valley is growing exponentially.

But at the same time, globalization and the information revolution offer an escalator from poverty into the global economy that also moves further and faster than ever before for countries that get the basics right. Global investors are always looking for the next great opportunity, and Africa has the potential to be that.

"What U.S. A.I.D. is trying to do," says Mr. Lowenthal, "is broadly disseminate the basic information infrastructure that will allow African countries to move from one step to the other. And the great thing about the Information Age is that you can move from 0 to 60 much more quickly than in the Industrial Age, if you get the basic digital information technologies. I just came back from Guinea-Bissau. It has one of the least developed telecom systems in Africa, but two entrepreneurs there just put up a three-story building

that is completely wired. They're now running a computer training center, an Internet cafe and a marketing business for next-generation information technology solutions. You should see the colorful web page designs now coming out of Africa by their own Webmasters."

Sure, it's just one building in a big continent, but that's how it starts. Americans don't realize that when they go to the doctor and get examined and the doctor dictates his notes from the examination onto a tape, that tape often gets shipped on the Web to a housewife in Ireland who transcribes it in her spare time for a fee and then sends the transcript back on the Web. There is no reason, with some basic English education and

There's good news and bad news.

digital infrastructure, that Africans cannot get into this lucrative area of telecomputing and data processing.

No, the Internet will not solve the problems between Hutu and Tutsi in central Africa or cure AIDS in Kenya. And yes, power in Africa still resides with those with the guns, not those with the phones. Africa's tribal and economic problems will not be solved overnight or on line. But all of these problems are related to, or exacerbated by, chronic underdevelopment, and the Internet gives Africans a new tool to leapfrog back into the game.

In 1977 there was a movie, "Black and White in Color" about French and German army units that were caught in West Africa at the end of World War I, but because the local newspapers were six months old, they never got the news that the war was over, so they went on fighting while the Africans watched in amusement.

"If they made that movie today it would be about how Deutsche Telekom and France Cable et Radio were competing over who will get to privatize the telephone system in Senegal by offering the most connections at the cheapest cost," argued Mr. Lowenthal. "If you don't factor the Web into your analysis of Africa, you're going to miss something. We're just two years away from large numbers of people in Africa being able to tell their own story, and that has got to impact politics there." □

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GOP Drive to Deny Workfare Benefits Sputters in States

By CHRISTOPHER GEORGES

Staff Reporter of THE WALL STREET JOURNAL
 WASHINGTON—In Congress, it's a hot welfare-overhaul debate.

Republican leaders insist that states should be freed from the requirement that they give "workfare" workers — welfare recipients put into make-work government jobs — the same benefit protections as non-welfare workers. "Without it, we will gut all the progress we have made" in changing welfare, says Missouri Rep. James Talent, a GOP welfare leader. States, he adds, have been pushing Congress to enact the change.

But welfare officials from states around the nation have another view: Many aren't clamoring for the right to give workfare workers lesser wage and benefit protections. "We want our welfare people to have the same benefits as everyone else," says Gary Weeks, who runs Oregon's welfare-overhaul effort.

A Bit Player So Far

This contrast between officials in Washington and those outside the capital reflects an important and surprising development in America's giant welfare-overhaul experiment. Workfare, once expected to play a central role in making welfare reform work, actually has emerged in most states as a bit player, or is being shunned altogether. For one thing, the strong economy has created enough private-sector jobs to allow states to avoid moving people off welfare rolls into workfare jobs. On top of that, many state welfare officials have concluded that workfare programs are an inefficient use of resources, or a logistical mess to oversee.

Given this lesser role workfare is playing in the welfare overhaul, state welfare directors are hesitant to risk political capital by taking the controversial step of denying such things as the minimum wage and standard benefits to welfare recipients they do put into workfare.

"It's pretty far down our list of priorities," says Chuck Johnson, who runs Minnesota's welfare-overhaul program.

On top of that, many state officials who are using workfare programs think they need to provide workfare workers with as much help as possible to smooth their transition into the labor force.

The upshot is that there is less of a groundswell to change the rules for workfare recipients than GOP leaders may have expected. Both the National Governors Association and the National Council of State Legislators, for instance, have failed to pass resolutions in support of the GOP leaders' position.

Political Pressure From Unions

To be sure, some state welfare officials want the flexibility in workplace benefits that Washington Republicans are advocating. And even some Democrats, such as Delaware Gov. Thomas Carper, have criticized requirements that states give full worker benefits to workfare recipients.

WR Workfare

The Workfare Initiative

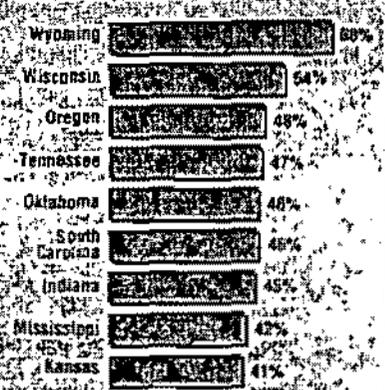
Workfare Worker Protections

- Republicans are seeking to overturn current regulations that require states to provide workfare workers a wide range of wage and benefits protections, including:
 - Prevailing wage
 - Overtime pay
 - Workers' compensation
 - Wrongful-discharge protections
 - Federal safety and health protections
 - Family and medical leave protections
 - Group health plan continuation coverage under COBRA
 - Affirmative-action regulations
 - Collective bargaining and other union-related organizing rights

Source: House Ways and Means Committee

Lighter Welfare Caseloads

Percentage decline in caseloads in selected states, January 1993-May 1997



Source: U.S. Department of Health and Human Services

In addition, Republicans say that the changes they advocate aren't being opposed on their merits, but because of political pressures. "This has a lot to do with organized labor," says Florida Rep. Clay Shaw, a GOP welfare leader. Unions have from the outset been among the strongest supporters of the workfare protections, in part because they would help prevent workfare workers from displacing union members.

As the debate suggests, the idea of workfare has been controversial from the beginning of the current welfare-overhaul drive. In essence, workfare is a way to require welfare recipients to work, often through community service such as cleaning parks, in return for their benefits. The idea is that welfare workers who either can't or won't find private-sector jobs won't get their full welfare and food-stamp benefits without putting in some time at a workfare job.

The Labor Department, in recent months, has ruled that such workers are entitled to the same workplace benefits that the law requires for other workers. But some conservatives have argued that workfare workers, because they are not fully employed laborers, aren't entitled to benefits such as the minimum wage, workers' compensation, parental leave and health and disability insurance.

And some state welfare officials certainly support that argument. "They are trainees, not employees," says Eloise Anderson, who heads California's welfare agency, referring to workfare workers. "They are not worth as much to the employer as other workers."

'I Will Avoid It at All Costs'

Whatever the merits of the arguments, the reality is that workfare hasn't emerged, at least so far, as central to welfare overhaul. While a handful of states such as New York and Wisconsin have

moved thousands into community-service jobs, most other states have only pilot programs or no program at all. "I will avoid it at all costs," says Donald Taylor, who runs Mississippi's welfare-overhaul effort.

That's in part because of the strong economy, but also because of practical problems. For example, states must monitor each worker for compliance and essentially set up a new bureaucracy to run the program. "From a public-policy perspective, it is not a wise investment," says James Clark, who as head of South Carolina's welfare-overhaul effort has set up a small pilot workfare program. "You get into the most God-awful bureaucratic mess."

While the staunchest workfare advocates concede that states have been slow to move, they say it's because the welfare bureaucracy resists the workfare idea. "The typical state welfare director has never liked, and probably doesn't understand, workfare," says Robert Rector, who as welfare expert at the Heritage Foundation was a key architect of the 1996 welfare-overhaul law.

Workfare advocates also argue that states may be forced to turn to workfare in future years, especially as the toughest-to-place workers reach their welfare time limit. But even if they do, many state officials say they plan to offer many of the wage and benefit protections.

To some, the protections are a matter of fairness. In other states, local laws require the protections. And in others, it's a matter of math: In all but a few states, benefit levels currently are high enough so that if states convert workfare workers' checks into a wage, they equal or exceed the minimum wage.

So why are Republican leaders in Washington up in arms over the worker-protection issue?

Most say it is merely a matter of prudent policy. Benefit protections, they say, are a cushy incentive for welfare workers to stay on workfare, as opposed to moving into private-sector jobs. At the same time, the required level of wages and benefits, they say, would drain states' coffers and saddle them with other heavy burdens, making workfare not worth the effort.

In Michigan, for example, the Saginaw Midland Bay Job Training Consortium will shut down its 100-person workfare effort this month. "There's an endless variety of laws that could kick in," says Dennis Brieske, who runs the program. "It's too large a risk to maintain the program."

House GOP 'Fast-Track' Bill Is Unlikely To Draw Democrats, Clouding Prospects

By BOB DAVIS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON.— The chairman of the House Ways and Means Committee issued a version of the 'fast-track' trade bill that is unlikely to garner any votes from committee Democrats.

The House committee is set to vote tomorrow on the measure, introduced by Chairman Bill Archer of Texas, which would renew the president's trade-negotiating authority through 2001. But if it doesn't attract any Democratic support, it is doomed in the full House, where Democratic votes are necessary to pass the measure. A fast-track bill that cleared the Ways and Means panel in 1995 along party lines wasn't brought up for a vote in the full House, because Republican leaders knew it would lose.

Fast track, which expired in early 1994, is the procedure that lawmakers had used to approve trade bills. Under fast track, lawmakers agree to vote yes or no on a trade bill, but not to amend it. Foreign trading partners consider fast track to be crucial when negotiating with the U.S., because it assures them that Congress won't rewrite trade deals negotiated by the administration. The administration has said it plans to use the authority to negotiate the inclusion of Chile in the North American Free Trade Agreement and to start bargaining over regional trade deals in South America and Asia.

The fight over fast track essentially involves different views of how to treat labor and environmental standards in a trade pact. Last week, the Senate Finance Committee approved a fast-track bill backed by the administration and some committee Democrats that provided moderate labor and environmental protections. Mr. Archer's version envisions an even smaller role for labor and environmental standards — though House Democrats are far more concerned about them than are their Senate counterparts.

"If there's much deviation from the Senate bill, I wouldn't be able to support fast track," said Rep. Robert Matsui, (D., Calif.), the ranking member on the trade subcommittee who is considered the staunchest Democratic free trader on Ways and Means. Committee Democrats believe that they could line up about six of 16 Democrats to vote for fast track if the provisions more closely resembled the Senate bill. Without that level of support, a fast-track bill would have a difficult time passing the full House.

In the Senate Finance Committee's version, for instance, fast-track authority can be used to approve deals in which parties agree to maintain their rules on labor, child labor, health, safety or environmental standards. Nafta, which was negotiated by a Republican president, has similar language. But the Archer version of fast-track would relegate such provisions to a report accompanying the bill — which is influential but not necessarily

binding — rather than make them part of the proposed law.

Similarly, Senate Finance Committee bill provisions on improvements to labor and environmental protections, which urge the administration to use multi-lateral institutions, would only be included in the report accompanying the Ways and Means version.

Mr. Archer characterized his bill as a "giant step forward." But fast-track critics were caustic. "The Reagan-Bush fast track provided bikini-sized coverage of the environment and labor; the Ways and Means version would forbid even that skimpy kind of coverage," said Lori Wallach, who organizes lobbying at the consumer group Public Citizen.

The Clinton administration held its fire as it tried to work out a compromise with Mr. Archer. Early yesterday, the administration was so concerned that the Archer version would doom fast-track that it urged the Texas Republican to cancel his news conference announcing the bill, and U.S. Trade Representative Charlene Barshefsky told into the White House wouldn't back his bill. But by midday, Ms. Barshefsky and Mr. Archer met to work out their differences; their staffs continued to meet late into the night to craft compromise language in time for tomorrow's vote. Mr. Archer insisted that his differences with the White House consisted "mainly in nuances of technical details."

Partly, his opposition to using the Senate version reflected the rivalry between the two bodies. Ways and Means staffers and members have been working on fast-track issues for three years and are loathe to accept language negotiated in the past few weeks in the Senate.

Canada's Envoy to Mexico Asks for Reassignment

By THE WALL STREET JOURNAL Staff Reporter

OTTAWA — Canada's ambassador to Mexico has asked to be reassigned because of a Mexican magazine interview in which he expresses amazement over the extent of Mexican corruption.

The weekly news magazine *Milenio* also quoted the veteran Canadian diplomat, Marc Perron, as criticizing the U.S. for being devious in its dealings with Mexico with respect to Mexico's drug trade.

The ambassador told the magazine "the pressure on Mexico from the United States is just a game that the American government uses for political ends and serves to hide a much blacker reality [in the U.S.]."

Mr. Perron, who is 57 years old, has served in other senior posts in the Canadian diplomatic service, including ambassador to Egypt.

Canadian Foreign Minister Lloyd Axworthy told reporters that the ambassador recognized that his remarks were inappropriate for a diplomatic representative.

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Wk - work force

States With Problems in 2001 (assumes 20 hours of work per week) -- Factors in rough food stamp cost of living increase in 2001			
	Families of 2	Families of 3 (average family size)	Families of 4
Current Minimum Wage -- \$5.15	8 states	No states (Miss.'s problem disappears by 2001 because of increase in food stamp allotment)	No states
Year 2001 minimum wage: \$6.20	24 states	4 states	No states

Recall that the number of hours of work required per week increases from 20 hours in 1997 and 1998 to 25 hours in 1999, and 30 hours in 2000 and thereafter. However, the increase from 20 to 30 hours can be in the form of training directly related to employment, so it is possible to argue that 20 hours is the more useful reference point. But below is the 30 hour chart.

States With Problems in 2001 (assumes 30 hours of work per week) -- Factors in rough food stamp cost of living increase in 2001			
	Families of 2	Families of 3 (average family size)	Families of 4
Current Minimum Wage -- \$5.15	38 states	14 states	2 states
Year 2001 minimum wage: \$6.20	48 states	36 states	12 states