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Speeches

Ian Gough

From Welfare to Workfare: Social Integration or Forced Labour?

Introduction

Targeting, means-testing and selectivity continue to dominate the discourse and the reality of social policy in the Western world. In an earlier study, my colleagues and I documented the rising numbers of people living on social assistance between 1980 and 1992 in all European countries except Switzerland. We established that high unemployment was a major factor behind this rise. But we also found great variations across Europe. In Britain and Ireland, social assistance is far more extensive but also rights-based; in the Nordic countries benefits were generous but more discretionary; in northern Europe there are separate programmes for different groups alongside a general safety net; in southern Europe the latter was missing or at least had only local coverage (Gough et al 1996; Eardley et al 1996, Gough 1996).

The last decade has witnessed the emergence of a duty to work as a quid pro quo for receiving such benefits. This is most evident in the 'workfare' programmes of different states in the US, but European countries have also pioneered a plethora of programmes which go under different labels - 'welfare to work', 'activation', 'insertion', 'contrepartie', etc. Do these embody a common purpose or are they part of nationally distinct agendas for social reform? Are they intended to counter social exclusion or are they designed to enhance surveillance and social control? What are their effects in practice? These are some of the questions I want to address in this paper.

The paper is divided into three parts. In the first part, I define the concepts of assistance, targeting and selectivity and go on to reanalyse our findings on safety nets in Europe. In part two, I present a framework for conceptualising different programmes of 'workfare' and use this to distinguish different national patterns. The final section turns to the normative issues raised by workfare: is it a route to inclusion and participation, or a new form of disciplinary and divisive social policy? I apply our theory of human need to try and resolve this question.

Social assistance and safety nets in europe

Definitions

The term 'social assistance' does not have a fixed or universal meaning. For example, in southern Europe the term embraces a wide range of non resource-tested but categorically targeted social aid for such groups as orphans, immigrants, victims of natural disasters, homeless people and so on. On the other hand the term usually excludes means-tested or income-related benefits which are administered as part

policies and instruments to fight poverty in the european union

the guarantee of a minimum income

of social insurance, for example means-tested 'social pensions'.

I want to distinguish 'targeting', means-testing' and 'social assistance', as follows:

Targeting: Social programmes directed at low income groups or at those in other categories of acute need. This does not necessarily require means-testing. For example, contingency benefits and services can be aimed at groups highly correlated with poverty or extreme need, such as homeless people or long-term unemployed people. Social insurance programmes can build in minimum pensions and other benefits to provide an income floor below which no members of the scheme will fall.

Means-testing: Social programmes where eligibility is dependent upon the current or capital resources of the beneficiary. These therefore need to be ascertained and assessed via some kind of income and/or capital test. Interestingly, not all such programmes are targeted on the poor and deprived. Instead, means tests can be used to deny middle and higher income groups benefits, as is the case with many family benefits in European countries.

Social assistance: The use of means-testing to target benefits and services on the poor and deprived groups in society, or to provide a national 'safety net'. Social assistance thus lies at the intersection of targeting and means-testing.

Within social assistance we can distinguish three main groups:

General assistance: makes available cash benefits for all or almost all people below a specified minimum income standard, for example Income Support in the UK or the Belgian Minimex. This comes closest to what most would think of as a guaranteed national safety net.

Categorical assistance: provides cash benefits for specific groups, such as the elderly or unemployed.

Tied assistance: provides access to specific goods or services in kind or in cash, such as housing or medical care.

Social assistance in Europe

Social assistance systems vary in numerous ways. Three important features are: their extent, programme structure and generosity. The 'liberal' welfare states of the English-speaking countries rely more heavily on social assistance; the southern European and 'Alpine' countries the least. The Nordic countries, Netherlands, Britain and Ireland have above average benefits; southern Europe has below average. Programmes

also vary according to whether benefits are 'exclusive' - local, variable and discretionary, or 'inclusive' - national, systematic and law-based. There is a clear link here with the reliance on assistance programmes - the greater their extent, the more they are bureaucratised and citizenship-based.

It is difficult to group all these factors together to get an overall picture of national assistance programmes. In our earlier analysis of social assistance in OECD countries, we distinguish eight 'social assistance regimes' (Gough et al 1996). I have now undertaken a cluster analysis of the same data which revises our judgments somewhat.¹ Figure 1 summarises the results.

Figure 1
Social Assistance in Europe

| Social assistance clusters | Countries in cluster |
|--|--|
| 1. Extensive, inclusive, above-average benefits | UK, Ireland |
| 2. Below-average extent, average inclusion/exclusion, average benefits | Belgium, France, Germany, Italy, Luxembourg, Spain |
| 3. Average extent, average inclusion/exclusion, generous benefits | Denmark, Finland, Netherlands, Sweden |
| 4. Low extent, exclusive, above-average benefits | Austria, Norway, Switzerland |
| 5. Minimal extent, exclusive, very low benefits | Greece, Portugal |

It reveals five clusters of social assistance in Europe in 1992: a liberal regime in the British Isles, the continental regime and a Nordic regime (but which includes the Netherlands and excludes Norway). Outside this rather familiar pattern lay two groups of countries with small-scale, discretionary programmes - but with very different levels of benefits. However, this data refers only to 1992. Since then the European Council Recommendation on Sufficient Resources of 1992 (92/441/EEC) has fostered new proposals in Spain and Portugal, the latter implementing the Guaranteed Minimum Income in 1997. Nevertheless, the above analysis shows that any move towards a common European safety net will have to build on a heterogeneous set of programmes across the EU.

'Workfare'

Defining workfare

There is no consensus over the definition of workfare. Trickey and Lødemel (1999) define it as 'policies which

policies and instruments to fight poverty in the european union the guarantee of a minimum income

require people to work in exchange for, or instead of, 'social assistance benefits'. It is thus compulsory, primarily about work (rather than training and other forms of activation), tied to the lowest tier of state assistance (rather than social insurance).

This has the merit of being relatively unambiguous but it does exclude a host of 'activation' type programmes. None of these three criteria apply to the Danish 1993 Labour Market Reform and 1997 Social Assistance Act, for example.

A broader approach is adopted by Torfing (1999) and his colleagues. They conceive of workfare as a form of subordination of social policy to the needs of labour market flexibility. This entails:

Active provisions based on the 'trampoline', rather than the 'safety-net' (let alone the 'hammock' metaphor, conditional rights linked to obligations, expectations of future cost reductions.

This definition can include programmes for recipients of social insurance benefits, can entail education, training, and other forms of activation, and need not imply time-limited benefits.

Workfare vs activation

Rather than trying to adjudicate between these different conceptions, I shall regard them as alternative forms, which illustrate the wide range of programmes we must deal with. Workfare and activation thus refer to the end points of a continuum of goals. Andersen (1999) links these to different discourses about poverty, welfare, class and individual responsibility.

At one extreme, workfare is designed as a punitive programme to reduce welfare expenditures and to discipline recipients of social assistance. It is founded on the concept of an underclass, common in discourses in the US and, to a lesser extent, in the UK. In the USA, the New Right viewed the underclass as a result of a new and growing 'culture of dependency', which had eroded the individual's incentives to rational economic and social behavior. It was alleged that an 'overgenerous' welfare state had spawned the new underclass characterized by behavioral deficiencies. This is an old story, but what was new was to link the macro(economic) and micro(moral) level of analysis and explain the observations at the micro level as rational choices of the poor caused by the "negative" moral and economic incentives offered by welfare state institutions. "Behavioral deficiencies", which was what defined the underclass and distinguished them

from the "deserving poor", was a symptom of a crisis at the level of actors, where there emerged a vicious circle of a culture of "rule breaking" (alias dependency culture).

The debate within EU institutions, on the other hand, has been conducted using the concept of social exclusion, with its strong intellectual roots in Durkheimian and French republican thought. The concept of social exclusion refers both to "processes and consequent situations. More clearly than the concept of poverty, understood far too often as referring exclusively to income, it also states out the multidimensional nature of the mechanisms whereby individuals and groups are excluded from taking part in the social exchanges, from the component practices and rights of social integration and of identity" (Commission of the European Community, 1992:8).

Theoretically, the notion of social exclusion entails a broader insider-outsider problematique. This entails a shift of focus from a Marxist and Weberian tradition of class and status analysis to a Durkheimian 'anomie-integration' discourse (Andersen 1999).

Torfig makes a similar distinction and draws the following contrasts between recent Danish and US workfare programmes (Torfig 1999: 17):

1. activation rather than benefit and wage reduction.
2. improving the skills and work experience of the unemployed rather than merely increasing their mobility and job-search efficiency.
3. training and education rather than work-for-benefit.
4. empowerment rather than control and punishment.
5. inclusive workfare programmes rather than programmes which target only the unemployed.

Thus workfare and activation are two contrasting policy goals founded on different discourses.

Means and administration

Programmes of workfare or activation also differ according to their administrative structure. National administrative practices vary just as much here as in social assistance programmes, as a forthcoming book by Trickey and Lødemel (1999, 2000) shows.

Are different clients (young people, lone parents, redundant older workers) separated out or participants in a general scheme?

policies and instruments to fight poverty in the european union

the guarantee of a minimum income

How much are clients involved in negotiation about their activation plans?

What is the nature of the work provided: placements in private firms, newly-created, publicly-financed jobs, subsidised self-employment, subsidised jobs with voluntary bodies, etc?

How and how much are participants paid, varying from collectively-agreed pay rates at one extreme to work-for-benefits at the other?

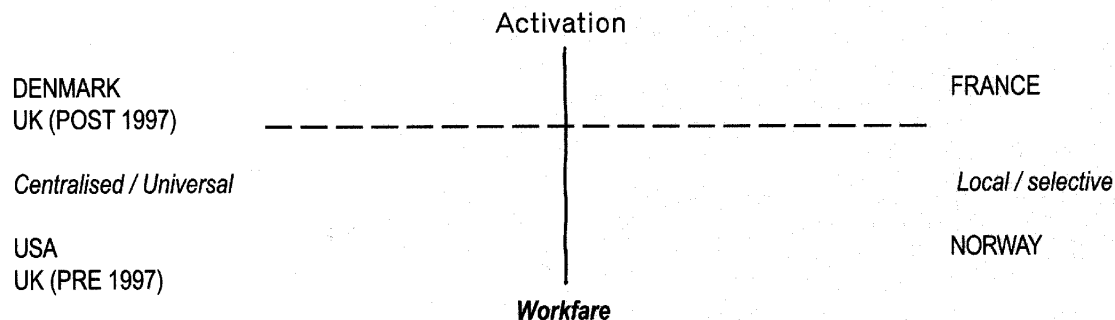
What education and training needs are catered for?

How severe are the sanctions for non-cooperation?

Trickey and Lødemel suggest that country differences across Europe can be crudely summarised along a continuum from central-universal programmes at one end to local-selective at the other end. The former are more integrative and inclusive, though they may entail 'streaming' and separate education and training options. The latter give more powers and discretion to case managers and social workers.

Drawing together our two dimensions of goals and administrative means generates four broad categories of programmes as in Figure 2 below. I suggest that the US and Norwegian programmes are closer to the workfare model, while Denmark and France are closer to the activation model. Britain under the new Labour government seems to be moving from the first to the second. In terms of administration, the US, UK and Denmark are more centralised-universal; Norway and France more local-selective.

Figure 2
National models of workfare



Workfare and welfare: a human needs perspective

How are we to evaluate these widespread changes in social programmes in Europe and beyond? Are they a form of free market - strong state reform intended to cut social budgets while disciplining and stigmatising the poor? Or are they part of a move towards active and inclusive citizenship? I shall apply the theory of human need developed by Len Doyal and myself to answer this question (Doyal and Gough, 1991).

A Theory of Human Need

The word 'need' is often contrasted with wants. We use the distinction in everyday language 'I want a cigarette but I need to stop smoking' - a regular mantra of mine until I finally gave up. The distinction, it is generally agreed, rests on the nature of the goals referred to. Need refers (implicitly if not explicitly) to a particular category of goals which are believed to be universalisable. Whereas wants are goals which derive from an individual's particular preferences and cultural environment. The universality of need rests upon the belief that if needs are not satisfied then serious harm of some objective kind will result.

Can we then agree on a notion of harm? We define serious harm as fundamental disablement in the pursuit of one's vision of the good. It is not the same as subjective feelings like anxiety or unhappiness. Another way of describing such harm is as an impediment to successful social participation. Whatever the time, place and cultural group we grow up and live in, we act in it to some extent. We argue that we build a self-conception of our own capabilities through interacting with and learning from others. This is an essential feature of our human nature. As Len Doyal put it in an earlier book: 'It is fundamentally mistaken to view yourself as acting with total self-sufficiency - by yourself and for yourself - without reference to anyone else. Social life is an essential characteristic of individual humans, unlike the situation of an individual tree which just happens to be in a forest. Grown from a seed in isolation, a tree is still a tree; but humanity is the gift of society to the individual' (Doyal and Harris 1986, p.80). Participation in some form of life without serious arbitrary limitations is a fundamental goal of all peoples.

But what constitutes significant participation? Watching television? Giving papers at conferences? We go on to identify four socially significant forms of participation common to all societies:

Production: creating the 'satisfiers' to meet needs and wants.

Reproduction: biological reproduction and the care, socialisation and education of children

Cultural transmission: the transmission and modification of the rules and knowledges of that social group; learning from teachers.

Political authority: a process of governance to ensure that rules are adhered to.

(Doyal and Gough 1991: chapter 5).

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To be deprived of the opportunity to participate in any of these four domains of activity, we argue, is a serious threat to well-being.

This enables us to define human needs. Basic needs then consist in those universal preconditions that enable such participation in one's form of life. We identify these universal prerequisites as physical health and autonomy. Survival, and beyond that a modicum of physical health, is essential to be able to act and participate. But that is not enough. Humans, distinct from other species, also exhibit autonomy of agency - the capacity to make informed choices about what should be done and how to go about doing it. Autonomy entails that actors:

Have the intellectual capacity to formulate aims and beliefs.

Have enough confidence to want to act and thus to participate in a form of life.

Perceive their actions as having been done by them and not by someone else.

Are able to understand the empirical constraints on the success of their actions, and are capable of taking responsibility for what they do (Doyal and Gough 1991: 63).

Human needs, welfare and workfare

Having defined the key concepts of need, participation and autonomy, we can apply them to the issues of welfare and workfare. How does the recent shift towards workfare programmes contribute to human need satisfaction? I would argue that it is genuinely ambiguous or two-faced.

First, long-term dependency is harmful to both participation and autonomy. Dependency, in the sense of a unilateral rather than bilateral relationship with others, reduces one's autonomy, and this applies to long-term benefit dependency. 'Claimants' are perceived as passive recipients of other people's money. In the absence of justifiable need, such as disability, or of explicit contribution, such as past social security contributions, this is harmful to self-respect and self-confidence. They become passive rather than active citizens.

But second, workfare as defined above is also harmful to autonomy. Punitive, demeaning, stigmatising programmes of work and unending job search activities harm the bases of self-respect. The activities required of benefit recipients is not seen as contributing towards the common good but towards their personal shame. Self respect, a crucial component of autonomy, is undermined not enhanced.

Third, 'activation' programmes, as defined above, contribute positively to both autonomy and socially signifi-

However, with these provisos, the idea of activation is congruent with enhancing human capacities. The issue now is to evaluate existing programmes according to this standard and to devise better forms of organization, negotiation and delivery. The devil will be in the detail.

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Notes

¹ Cluster analysis measures the distance between cases on a combination of dimensions and uses this to identify groups of cases within which there is considerable homogeneity and between which there are clear boundaries. Despite its obvious relevance in confirming or otherwise the existence of 'welfare regimes' it has rarely been applied to cross-national data on social policy. There are two distinct clustering techniques: hierarchical cluster analysis (HCA) and k-means cluster analysis (KCA). HCA is the simplest technique: it begins by finding the closest pair of cases (normally using squared Euclidean distance) and combines them to form a cluster. The algorithm proceeds one step at a time, joining pairs of cases, pairs of clusters or a case with a cluster, until all the cases are in one cluster. The steps are displayed in a tree or dendrogram. The method is hierarchical because once two cases are joined in a cluster they remain joined. KCA, on the other hand, permits the recombination of cases and clusters over repeated iterations. It requires the researcher to specify a priori the number of clusters (k) and thus provides a preliminary testing of alternative typologies. The clustering begins by using the values of the first n cases as temporary estimates of the k cluster means. Initial cluster centres form by assigning each case in turn to the cluster with the closest centre and then updating the centre, until final cluster centres are identified. At each step, cases are grouped into the cluster with the closest centre, the centres are recomputed, and so on until no further change occurs in the centres. It offers a good range of information to help interpret the results, and for these and other reasons, is the technique used here.

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