

Ivar Lødemel (ed.)

Workfare in Six European Nations
Findings from evaluations
and recommendations for
future development

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Ivar Lødemel
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Chapter 1

Introduction

Ivar Lødemel

This conference report presents evidence from two parts of the EU funded research project "Social integration through obligations to work? Current European workfare initiatives and future directions". The first part of the project (description and comparison of programmes) provided the basis for the parts presented here. By focusing on implementation, outcomes and recommendations for change, this report aims to introduce a discussion of whether or not workfare programmes have the potential of furthering social integration; the key question in our project.

The research project was carried out by six different groups: Fafo Institute of Applied Social Science (Norway), Centre de Recherche et d'Information sur la Democratie et l'Autonomie (France), Loughborough University (UK), The Danish National Institute of Social Research (Denmark), The University of Bremen (Germany), the University of Utrecht (The Netherlands). Fafo was in charge of the over-all coordination of the project.

This introductory chapter presents, first, the main work packages of the research project and points out where in the report national and comparative evidence is presented. The second part introduces the definition of workfare applied in our research. The third part gives an overview of the different national programmes studied and the timing of their introduction.

1.1 The project

In our research proposal submitted to the EU in 1997 we described the three objectives for the project:

To develop a common analytical framework thereby defining the margins of workfare

This was translated into the first work package of the project. The aim was here to use the common analytical framework to describe the programmes under operation in each nation; to position these programmes within the wider policy context and to analyse the political background to their introduction. The original aim was to present the findings as a series of papers. As it happened, the group decided to take this task further and to write a book where we also provided a systematic comparison of the programmes and gave interpretations of the similarities and variation in design. The book, called "An offer You Can't Refuse.

Workfare in international perspective (Lødemel and Trickey, eds, 2001) was the first major output from the project. We gave priority to producing the book before the project was completed in order to give a first systematic comparison of workfare programmes in a large number of countries.

While we have included a brief description of the programmes in the six participating countries (Chapters 2 to 6), this report focuses on presenting summaries of the output of the last two parts of the project, as described below.

To evaluate programmes in operation

This second objective was translated into two work tasks. The first task was to carry out depth interviews to study process and implementation. In each country two groups of respondents were interviewed by members of the research group. The first group were workers responsible for implementing the policy on a day-to-day basis. This included social workers, personal advisers and managers of programmes. We have used the generic term “street level bureaucrats” (SLB) to describe these respondents in our presentations of findings from these studies. The second group of respondents were participants in workfare programmes. A summary of national findings are presented in Chapters 2 to 7, and a comparative paper based on the national research reports is presented in Chapter 8.

The second task was to carry out a systematic review (SR) of available effect evaluations in each of the six countries. In five of the countries effect evaluations were already available. In Norway no national studies had been carried out, and this partner needed to make a first evaluation as part of the project. This was made possible through additional funding to the project from the Norwegian Research Council. The main results from the national review of effect evaluations are summarized in Chapters 2 to 7 in this report, and a comparative paper is presented in Chapter 9.

To develop recommendations for programme evolution and priorities for additional research

This task was included because we felt a strong commitment to inform the development of policy. Policy recommendations cannot be simply ‘read off’ from research findings. Instead academic researchers must be sensitive to the different needs of policy-makers, and be prepared to translate academic language into accessible conclusions. This meant that contact with policy-makers could not be left to the end of the project. Instead links with some groups were formed earlier on in the project, and for those groups to be kept informed of the development of the research project. The research group organized a first dissemination seminar in the summer of 1998. At this seminar senior policy makers from the six participating nations and from the US were presented with our first overview of programmes. In this way we facilitated discussion across national borders, developed important contacts for the remainder of the project and gained important insights into how policy makers viewed compulsory programmes. Through participation in EU sponsored research “Clusters”, members of the group have had several opportunities to share our findings and reflections with policy makers on both European and national level.

A summary of the recommendations concerning programme development and future research is provided in Chapter 10.

1.2 Defining workfare

In order to facilitate a pioneering study of workfare, we first needed to develop a shared definition. Different definitions of workfare are discussed in the first chapter of our book “An Offer You Can’t Refuse. Workfare in international perspective”, and the following is taken from that chapter.

In this project workfare is defined as an ideal policy *form*, as opposed to a policy that results from a specific set of aims. The group of contributors judged aims-based definitions to be unsuitable for comparative work, which is essentially about mapping a particular phenomenon in the context of the different ideological settings and different policy processes. In addition, aims-based approaches were considered to court the danger of over-simplification of the different and potentially contradictory aims that programmes address, as well as of the process whereby official objectives are translated from the higher policy-making echelons to the implementation level. The links between work-for-benefit policies and various ideological perspectives and associated labour market initiatives are clearly important. However, examination of a specific form of policy initiative permits comparison across different ideological and policy contexts. A form-based definition facilitates investigation of how, why, and for which out-of-work populations, work-for-benefit policies are used; and how and why policies vary in relation to different policy contexts.

For purposes of delineation and comparison, we have decided to define workfare as:

Programmes or schemes that require people to work in return for social assistance benefits.

In this definition the term ‘programme’ is used to denote a prescribed generic strategy implemented in a range of locations. In contrast, ‘scheme’ is used to describe locally developed projects. The term ‘policy’ is reserved to denote the general plan of action adopted by national or local government.

The definition sets out an ‘ideal type’ programme and one that strongly diverges from the traditional social assistance contract. It can be argued that a proportion of social assistance recipients in each of the countries compared here experience programmes that could be described in this way. However, the programmes described here vary in the extent to which they meet this definition. Thus, it becomes possible to examine the extent and direction of divergence. A systematic comparison of programmes is provided in Chapter 9 of our book (Lødemel and Trickey eds 2001).

The definition has three elements – that workfare is *compulsory*, that workfare is *primarily about work*, and that workfare is essentially about policies tied to the *lowest tier of public income support*. Each of the three elements conditions the way social assistance is delivered. Used in combination, the introduction of work and compulsion tied to the receipt of aid represents a *fundamental change in the balance between rights and obligations in the provision of assistance*. In Chapter 10 we will return to this change in contract by discussing under

what conditions workfare represents first a foremost a curtailment of pre-existing rights and where it may have the potential of providing a new form of entitlement in addition to financial support.

1.3 Programmes and timing of legislation

This project considered the main workfare programmes or schemes operating in six countries. These can be listed as follows:

- France – Insertion programmes and schemes operating under the Minimum Income and Insertion Act (1989), the Solidarity Job Contracts Act (1989), and the Jobs for Youth Act (1997).
- Germany – Help towards Work policies, based on the Social Assistance Act (1961).
- The Netherlands – The programme outlined in the Jobseeker's Employment Act (1998).
- Norway – Local schemes resulting from the Social Services Act (1991).
- Denmark – Programmes and schemes operating under the Active Social Policy Act (1998).
- UK – The New Deal programmes for 18-24s, and for over 25s (introduced in 1997-98) which build on legislation from the Jobseeker's Act (1995). The dual-training system for 16- to 18-year-olds, of Modern Apprenticeships (introduced in 1995) and National Traineeships (introduced in 1997).

On the whole, the introduction and evolution of workfare programmes in Europe is a 1990s phenomenon. However, while the US is often seen as the originator of workfare policies, having a history of programmes going back to the early 1970s, compulsory work-for-benefit measures also have a long history within post-1945 Europe. In Germany a provision for workfare was included in the 1961 social assistance legislation, although the policy was largely dormant until the onset of mass unemployment in the 1970s. Denmark has taken a pioneering role in the more systematic application of compulsory activation policies.

The next part of the report (Chapters 2 to 7) present executive summaries of research from each of the participating countries. Chapters 8 and 9 presents comparative findings from interviews (8) and from the review of effect evaluations (9). In the final chapter we have compiled national recommendations followed by an overview of shared problems and recommendations.

Chapter 2

Executive Summary: France

Laurent Fraisse

This document summarizes the main findings of WP1 and WP2 and outlines a number of recommendations.

The article “Between Subsidiarity and social assistance: The French route to Activation”¹ presents the work carried out in “Workpackage 1”. It puts recent changes in policies and practices to combat exclusion in France into historical and ideological perspective. An understanding of the republican tradition of the national debt to the poorest members of society, inherited from the French Revolution, makes it possible to explain more clearly why unemployment, poverty and social exclusion are still perceived in France less as the result of individual behaviour than as the result of collective responsibility. French policies, based on a conception of national solidarity passed down from the 19th century, place greater emphasis on social cohesion than on the fight against welfare dependency. In this context, the word “workfare” has a negative connotation in the French public debate.

However, the French Welfare State has undergone major changes since the 1980s, in particular through the establishment of the Minimum Insertion Income or “Revenu Minimum d’Insertion” (RMI) and through the generalization of employment measures targeting the population groups furthest from the labour market (the young, the long-term unemployed, older workers)². The public so-called “insertion” measures represent an orientation towards more “active” employment and welfare policies. Although the notion of “insertion” dates back to the 1960s³, it has become the common reference for a whole series of public policies, the emblematic measure of which was the introduction of the RMI in 1988.

Compared to the previous basic welfare benefits and other welfare allowances, the new element introduced by the RMI is that entitlement to an income is not regarded as being sufficient to combat social exclusion. By establishing a link between access to a guaranteed income and social integration measures, the choice of an “unconditional” minimum income handed out with nothing in return was set aside. In France, the RMI Act has given rise to a parliamentary debate on the rights and responsibilities of society towards its poorest members and vice versa. In this connection it is interesting to compare the “French” social insertion

¹ Enjolras B., Fransse L., Laville J-L, Trickey H, “Between Subsidiarity and social assistance: the French Republican Route to Activation”, in Loedemel I. and Trickey H., *An offer you can't refuse. Workfare in International Perspective*, Policy Press,

² It should be noted that women, large numbers of whom do part-time work, are not one of the population groups prioritized by employment policies.

³ For a history of the notion of insertion, see the works of Eme B., especially “Insertion et économie solidaire” in Eme B., Laville J-L., *Cohésion sociale et emploi*, Desclée de Brouwer, Paris, 1999, pp. 157-194.:

approach with the thinking on workfare, in particular to highlight the differences between the two.

Firstly, in the RMI, social integration is not restricted to integration into the world of work, as reintegration into the labour market is only one of the possible areas covered by the “insertion contract”. These can, for example, include improvement of health, finding accommodation and the minding and education of the children. Secondly, the “insertion contract” does not define a unilateral obligation in return for the payment of the minimum income: it is the result of a negotiated, reciprocal commitment between society and the beneficiary. While the latter must make an effort at integration and must respect the contents of the contract, the public employment services and the social services also theoretically have an obligation, together with the local authorities, to propose integration offers. Thirdly, the low levels of the “insertion contract” rate and the penalty rate are the sign of a flexible conception of the return required of beneficiaries and of what happens in practice in this regard. Lastly, the insertion offers and subsidized jobs are intended not only for RMI beneficiaries but also for other population groups in difficulty.

Insertion policies and practices in France constitute a specific response that, apart from one or two similarities, cannot simply be classified together with the workfare policy. Nevertheless, the implications of the discourse concerning social cohesion only serve to make the inadequacies of the integration policies more disappointing.

2.1 Main findings of the qualitative study

The qualitative study in France involved interviews with 10 national or local administrators of the RMI scheme, 14 social workers dealing with the RMI and 19 RMI beneficiaries in 4 different areas: Guise and Hirson (Aisne), Dijon (Côte d’Or), Rennes (Ille-et-Vilaine), the 20th arrondissement of Paris.

Integration: an essential dimension

As we emphasized in the introduction, one of the founding ideas of the RMI is that payment of a welfare benefit is not enough to enable people to break the circle of exclusion. Allocation of a monetary income needs to be combined with associated rights relating to housing and health, and also with measures for access to employment and training. There is little disagreement among policy makers and social workers about the need to combine minimum income and an integration offer. In any case, none of those interviewed for instance argued for an unconditional basic or citizenship income.

As far as the interviewed beneficiaries are concerned, it is interesting to note that beneficiaries do not use the term “insertion”, which belongs to the vocabulary of the policy makers and social workers. RMI beneficiaries speak of “real work” or “bad jobs”, but not of integration offers. Nevertheless, most of the people interviewed appreciate the individualized support provided by the social workers. But they see it more as social work support than as a direct means of finding a job.

Limits of the “insertion contract”

Although the “insertion contract” appears institutionally as a key element in the RMI system in that it formalizes the reciprocal commitments of the beneficiaries and society, in practice there are considerable local disparities, relativizing the importance of the contract. Although proximity and the low density of RMI beneficiaries in rural and semi-urban areas enable the “insertion contract” to be used systematically, this is not the case in large cities. However, policy makers and social workers also acknowledge that the “insertion contract” rate, around 50% nationally, is very difficult to interpret. In fact, the number of signatories does not accurately reflect integration support as many beneficiaries also receive social work support and help from the local Employment Agency (ANPE) without this always resulting in the signature of a contract. In any event, the contract rate reflects neither the intensity nor the quality of support. The indicator gives no indication of the content of the contracts.

The beneficiaries are not always very familiar with the role of the “insertion contract” and its function. Not all remember having signed such a contract. Perception of the rights and responsibilities of the beneficiary in the integration process is not always clear. The “insertion contract” is often perceived as an administrative procedure making it possible to receive a minimum income and not as a commitment that can be utilized to improve one’s situation. While some beneficiaries see it as a way of obtaining a business creation subsidy or a “solidarity employment contract”, others raise doubts about its usefulness: “insertion contracts are a load of rubbish, they don’t guarantee anything”, “they’re not going to make companies take anyone on”. The role of the *Local Commission for Insertion (CLI)* is not always clearly identified, in particular its function of validating “insertion contracts”. Only beneficiaries who have had a concrete response to a request for financial support or a subsidized job have a more precise idea of its areas of competence.

Improving the quality of the integration offer rather than reinforcing constraints and penalties

Reinforcing the penalties does not appear to be a priority for the administrators of the RMI scheme and the social workers interviewed. Nevertheless, nobody really wanted to get rid of all the penalty mechanisms. Some interviewees stressed the “credibility” of the programme in relation to the section of public opinion that believes that fraud should be combatted. Others mentioned the possibility of “putting pressure” on beneficiaries. They believed that threats of suspension were sometimes effective in obliging beneficiaries to work out a project and to sign an “insertion contract”.

However, according to most of the people interviewed the actual penalties are marginal. The main restriction on reinforcing penalties stems from the inadequate quality of the insertion offer. Social workers are often unable to propose a job or a training course that matches the aspirations and skills of the beneficiaries. If society has nothing to offer beneficiaries in return for their commitment to an integration process, how can it justify penalizing them?

Few beneficiaries interviewed had been threatened with suspension and none had in fact been penalized. This confirms that the constraint of a return requirement is slight. Even though all the beneficiaries interviewed knew that the RMI could be suspended, they were

often not familiar with the penalty procedure. It was difficult for them to identify the respective roles of the Préfecture, the Family Benefits Office, the CLI and the social workers.

Young people: exclusion from basic welfare benefits or workfare?

One of the singularities of the French system is that under-25s with no dependent children are not eligible for the RMI and more generally for the basic welfare benefits. This exclusion is problematical in a context of increasing poverty among young people with no qualifications and no longer in contact with their families. In the face of this development, governments have introduced employment measures targeting young people (qualification contracts, “emplois jeunes”, Trace programme). To justify this exclusion, policy makers and social workers express the fear that young people with no vocational experience become dependant to a welfare culture that distances them from the world of work. The abdication of parents from their family responsibilities is another argument put forward. By emphasizing fear of dependency rather than social cohesion, the “policy makers” are in fact using a line of argument similar to that of the advocates of “workfare”. What is more, the people interviewed who were favourable to the creation of a basic welfare benefit for the under-25s envisaged it with an obligation to accept training or a job in counterpart.

2.2 Systematic Review

In parallel with the qualitative study, the WP2 included a “systematic review” of the quantitative studies carried out on the RMI. It gave rise to a methodological synthesis (cf. Workfare evaluation studies in France - Systematic review) In this summary we shall present the main findings of the most recent and important INSEE survey into what becomes of RMI beneficiaries, based on a representative sample of beneficiaries as at 31 December 1996. Three series of surveys were conducted, in September 1997 and January 1998, in the course of which 3415 people replied to the questionnaire, making it possible to follow the pattern of change in the beneficiaries’ situation on the labour market. The survey has given rise to several publications, the main findings of which we present here.

A majority of RMI beneficiaries are actively looking for work

The workfare policies can be defined as “ the policies demanding the people that they work in exchange, or in place of, the benefits of social assistance ”. These measures aim firstly to combat “ the culture of assistance ” in which the system of social assistance would enclose the more destitute. It is argued that traditional welfare policies fail to encourage a return to work and are inappropriate to the population groups most in difficulty. To counter the development of opportunistic behaviour or renunciation of the basic welfare benefits by beneficiaries, the latter should be “forced” to change their attitude by obliging them to accept work or a job in return for the basic welfare benefits.

The results of the INSEE survey suggest that the idea of a weakening of “work culture” among RMI beneficiaries is more than doubtful. Even though they are outside the labour

market, three-quarters of the unemployed on the RMI look for work as actively as the rest of the unemployed. Even the oldest beneficiaries continue to be active in the labour market. In terms of looking for work, RMI beneficiaries are no different from the rest of the unemployed⁴.

These results need to be set in context, and the RMI scheme covers nearly one million people (compared to the overall figure of 2.27 million unemployed in September 2000). With the tightening up of the terms of eligibility for unemployment insurance schemes in the early 1990s, the RMI functions as a final stage of unemployment benefit (which was not its original purpose)⁵. About 10% of job seekers are covered by the RMI. In fact, the large number and the heterogeneity of RMI beneficiaries make it impossible to talk of a “dependency culture”, given the number of unemployed on the RMI who receive no unemployment benefit.

Most beneficiaries come off the RMI because they find work, but in very insecure jobs

Cédric Afsa and Danièle Guillemot⁶ have shown that there is a high rate of turnover in the RMI system: since December 1996, a third of the RMI beneficiaries left the scheme after six months and half after eighteen months. Over half the beneficiaries leave the scheme to return to the labour market while for a quarter of them the RMI is replaced by another benefit (unemployment benefit, disability benefit, basic old age pension, etc.) But the jobs are very insecure, a quarter of them lasting less than 6 months. Although some beneficiaries find a job or receive unemployment benefits, others return to the RMI system once their contract has finished.

Varied effects of the “insertion contract”

Anyone applying for the RMI undertakes to participate in social or occupational integration activities, which are jointly defined by the beneficiary and the social worker, through the signature of an “insertion contract”. What is the impact of the “*insertion contract*” on return to work by RMI beneficiaries? According to the INSEE survey, 40% of beneficiaries in January 1998 had signed an “insertion contract”⁷. But, significantly, a third of beneficiaries declared that they had not heard of the “insertion contract”⁸. Practice shows that what

⁴ Rioux Laurence, “Les allocataires du RMI : une recherche d’emploi active mais qui débouche souvent sur un emploi aidé”, *INSEE Première*, n°720, juin 2000, p1.

⁵ Amira Selma, Canceill Geneviève, “Perte d’emploi et passage au RMI”, *Premières Informations, Premières Synthèses*, DARES, n°25.1, 1999.

⁶ Afsa Cédric, “Plus de la moitié des sorties du RMI se font grâce à l’emploi”, *INSEE Première*, n°632, février 1999.

⁷ Zoyem Jean-Paul, “Les contrats d’insertion du RMI, des effets contrastés de la sortie du RMI”, *INSEE première*, n°679, octobre 1999, p.1.

⁸ Lefèvre Cécile, Zoyem Jean-Paul, “Les contrats d’insertion du RMI : quelle perception en ont les bénéficiaires?”, *Etudes and Résultats* n°45, décembre 1999.

is required of RMI beneficiaries in return is slight, which distances the scheme from workfare programmes in this respect.

The low contract rate is very hard to interpret, as the number of signatories does not accurately reflect the integration support provided by the social services and the ANPE. In other words, many beneficiaries receive social work support and help from the ANPE without this always resulting in the signature of a contract. Moreover, many RMI beneficiaries find a job without having signed an “insertion contract”.

Despite these reservations, the lack of knowledge about “insertion contracts” and the low rate of signature are indicative of an inequality of treatment among beneficiaries:

- Territorial inequalities, as the higher the proportion of RMI beneficiaries or unemployed people in an administrative department, the lower rate of signatories⁹.
- Inequality between population groups, as “insertion contracts” are more frequent among young people (25-39 years of age) and graduates, in other words among the most resourceful people for finding a job. While the priority should be to concentrate the efforts of social workers on the beneficiaries furthest from the labour market, the social workers tend to dealing with the most “employable”, at the expense of the oldest beneficiaries and of those with illiteracy health problems. This situation is all the more regrettable as it is above all the less qualified beneficiaries who declare that “insertion contracts” have been useful in enabling them to leave the scheme.

In addition, although the INSEE survey confirms the strong occupational orientation of the contracts, the effects on leaving the scheme for a job are varied. The “insertion contract” makes access to subsidized jobs more likely but does not increase the chances of obtaining an ordinary full-time job. In short, the sociological profile of beneficiaries plays a decisive part in their chances of leaving the scheme for a job, and the “insertion contract” does not really reverse the order of the job queue in favour of those furthest from the labour market.

Ambivalent effects of subsidized jobs on occupational integration

As the “insertion contract” is regarded as a reciprocal commitment between the beneficiary and society, the latter must be able to propose an integration offer appropriate to the needs of the beneficiaries. RMI beneficiaries are one of the population groups prioritized by employment policies. 25% of “subsidized jobs”, solidarity employment contracts (CESs), consolidated employment contracts (CECs) and initiative employment contracts (CIEs), are normally set aside for them. It is therefore not surprising that one in three former beneficiaries who have obtained employment has a subsidized job (CES or CEC) in the public or the non-profit sector¹⁰, which is much higher than for the rest of the active population. However, the importance of subsidized jobs must be relativized as most of the jobs offered are in the market sector.

Most importantly, however, the effects of subsidized jobs on the occupational integration of beneficiaries are ambivalent. Although they make it possible to keep in contact with the world of work, they also contribute to *job insecurity*, particularly in the public sector.

⁹ Zoyem Jean-Paul, *op.cit.*, p.2.

¹⁰ *Op.cit.* p.1.

For many RMI beneficiaries, CECs and CESs are “part-time jobs with major constraints” and are often perceived as “bad jobs” as they are poorly paid and all too rarely lead to permanent employment.

Nevertheless, despite the low wages and the short duration of the contracts, the majority of former beneficiaries see their departure from the RMI in overall terms in a positive light, though they remain dissatisfied with their work situation.

Faced with this situation, the administrators and technicians of the RMI system believe that the fight against social exclusion now requires not just access to any kind of employment but access to permanent employment.

Annex

The RMI

The Insertion Minimum Income was voted unanimously by deputies of the National Assembly on December 1, 1988.

The objectives

The first article of the 1988 law defines the objective of fighting against poverty and social exclusion : “Every person who, because of their age, of their physical or mental situation, of their economic and employment situation, is not able to work, has the right to obtain from the community a decent means of existence. The social and professional insertion of people in difficulty constitutes a national requirement. In this aim, an insertion minimum income is introduced implementing in the conditions fixed by the current law...”

Rights and Responsibilities

RMI guarantees a number of rights: the right to a minimum amount of resources each month ; the right to social security ; the right to housing benefits (APL or AL) at the maximal rate for tenants ; the exemption from housing tax ; the right to have the aid of the community to achieve an insertion project ;

RMI also involves obligations: the respect of administrative rules such as filing a quarterly income statement ; the commitment to an insertion project devised to improve the situation and, insofar as possible, to leave the RMI programme. This project is developed through an insertion contract.

Conditions of eligibility

RMI eligibility depends on objective criteria.

Age criterion: being over 25 years of age ;having a least one child in charge for people under 25 years old

Resources criterion: receiving no sources of income or having resources below a minimum level established according to the family situation ; receiving no sources of income or having resources below a minimum level established according to the family situation

Housing criterion: being a resident in France ; for foreigners, to have a resident's permit

The request for RMI should be addressed to: social action centre, the social services of the department ; associations with certification.

While monitoring these criteria, the National Children's Benefits department is in charge of the RMI payment.

The calculation of the amount of benefits

RMI is a differential and subsidiary allowance that varies according to: the number of persons within the household ; The amount of the other sources of income received (child benefits, alimony...) ; the RMI is a complement up to the minimum level fixed by the law ; the person's housing situation.

The RMI scale 2001

	Scale of reference	In euros
Single parent without child	2,608.5 F	398.25
Single parent with 1 child	3,912.75 F	597.37
Single parent with 2 children	4,695.3 F	716.84
Per child	1,043.4 F	159.3
Couple without children	3,912.75 F	597.37
Couple with 1 child	4,695.3 F	716.84
Couple with 2 children	5,477.0 F	836.18
Per child	1,043.4 F	159.3

The insertion programme

In each department, the Prefect and the President of the General Council are responsible for the implementation of the insertion policies. Each year, the Departmental Council of Insertion (CDI) elaborates a departmental programme of insertion (PDI) which defines insertion actions in the fields of employment, training, housing, health, education, and social insertion. State and department bodies (General Council) make the main contribution to financing insertion actions. The local authorities (departments) allocate 20% of the amount spent by the State for insertion benefits (RMI).

Chapter 3

Executive Summary: Germany

Wolfgang Voges and Jörg Lemnitzer

3.1 Main characteristics of the German workfare program, background and position for wider activation policies

Work creation programs have a long tradition in Germany, and are an essential element of the German welfare system. The Bismarckian welfare state included a discretionary workfare component which functioned primarily as test of recipients willingness to work. Discretionary workfare became part of a legal basis for social assistance in 1961, when the Federal Social Assistance Act (SAA) was passed in the West German Federal Republic. So that the Federal law of social assistance, has always required recipients to work for their social assistance where an offer of work was made. Since implementation of the SAA, local administrations, who themselves fund social assistance, have been able to create new jobs for recipients. However, because the recipient population had, until recently, consisted largely of people who were considered unable to work, the workfare condition remained dormant. As unemployment has risen and the proportion of social assistance recipients who are unemployed has grown, local authorities have sought ways to reduce expenditure and to test recipients' willingness to work. As a result, local authorities have 'remembered' this area of law and use of the workfare measure has been rekindled.

The German designation for these job creation programs is *Hilfe zur Arbeit*, which can be translated as "help towards work," (HTW). The workfare component of social assistance consists of a graduated series of measures whose policy goal is the (re)integration of recipients into the primary labor market. The gradient demonstrates an increase in the employment and social security rights at each grade of workfare. Local authorities may use all or none of these measures with able-bodied recipients.

Regular job opportunities: for the most employable clients/recipients, the local authorities may provide subsidized work. Contracts are drawn up and wages paid according to the conditions in the for-profit sector, but on a time-limited basis. An employment contract is signed according to the wage agreement in the appropriate sector with full employee rights and duties for the former social assistance recipient, whilst the employer receives a wage subsidy. In general the employment contract lasts only one year. If the former recipient is not hired permanently when the contract expires, s/he becomes eligible for unemployment insurance benefits and can participate in Federal job creation programs through the employment office.

Community and additional work: Local authorities may finance public work for clients who have more significant barriers to employment. Such work must satisfy the conditions

of being both for the community good and work that would not otherwise be carried out through the private market – the so-called “additional” requirement. These jobs may be contract or non-contract based Jobs with time-limited normal employment contracts may be financed at a reduced wage level. Alternatively, less demanding, part-time public work may also be financed through this route. Public work clients continue to receive social assistance (plus an additional small supplement for work-related expenses), and are exempt from normal employment rights.

Specific work opportunities: at the lowest level are jobs which have the character of “work arrangement”. These placements are used for recipients severe barriers to employment Local authorities use this measure both to acclimatize recipients to the demands of occupational activity, and to test readiness to work. In recent years this measure has come to play a less important role.

Education and training placements: do not form part of the legal basis of integration. However, with a rise in the number of long-term unemployed claimants with low skills, the importance of training phases within HTW programs is increasing. Due to the high cost, the use of education and training is variable from locality.

Social assistance offices are supposed to send all unemployed recipients of social assistance to the local employment offices, where they are registered as “unemployed”. The employment office is supposed to maintain contact with “unemployed” assistance clients throughout the period of receipt The employment office is the agency usually responsible for helping unemployed social assistance clients with good placement prospects to find regular unsubsidized work. However, some local social assistance administrations will occasionally themselves organize placements through temporary employment agencies. Beyond this, special departments within the local authority social assistance administration have responsibility for providing work and training resources, and for developing “individualized life plans” to help recipients move towards self-sufficiency. Individuals who are not considered to have good immediate placement prospects may be sent to a unit which provides vocational and occupational guidance, as well as information about workfare programs. Such units may test the aptitude of recipients for different workfare placements.

3.2 Description of recent developments in HTW

Out of the forms of workfare described above local authorities mainly use first, HTW which comes with an employment contract subject to social insurance and standard wages; and second, a more casual kind of HTW without these conditions. In addition, “workfare” may constitute vocational training. In the last years, contract-type work has come to make up an increasing proportion of workfare places and training has become more important. However, a patchwork of policies prevail.

One should consider that HTW programs are implemented differently from location to location and big differences exist between East and West Germany. In general the aim of the HTW programs in the East and the West German cities are the same: to reduce social assistance costs by cutting the welfare roll, to shift the burden of support from the level of the local government to the federal government, and to help at least those with recent job

experience to find employment. However, East Germany's restricted labor market higher unemployment rate but, proportionately lower social assistance rate has resulted in very different target populations.

In most West German cities HTW is not intended to provide employment opportunities for all social assistance recipients. Some cities offer 'workfare' to recipients who *volunteer* to participate, while others require participation after set periods of receipt. In some cities workfare works in conjunction with a broad array of circumstances under which it is acceptable for recipients to reject the workfare offer. Even ability to work is not questioned in all cities, mainly due to prohibitive costs. Most East German cities do not have the necessary administrative infrastructure to implement workfare on any great scale, though many regard Leipzig as a model. The city of Leipzig attempts to offer workfare assignments to *all* social assistance recipients, including those with disability or with problems due to alcohol or drug abuse. During the last years in all cities a trend can be observed to increase the number of employment opportunities for all groups of social assistance clients (excluded handicapped).

There are gender differences in the characteristics of the workfare clients in East and West German cities. A "right to work" in pre-unification East Germany means that employment has a significant role in the lives of East German women. Female labor force participation were much higher in East Germany than in the West, and the disparity has remained following unification. Correspondingly, a greater proportion of women participate in workfare programs in the East German cities. East German workfare programs tend to have much broader work opportunities for women. While in West German cities women tend to be assigned to activities in the service sector, in the East, women are more often assigned to construction or carpentry work.

As the proportion of young East German clients increases the age profile of the workfare clients in East German cities is beginning to approach that of their Western counterparts. With this demographic shift, workfare offers are also changing. Until recently, providing education or training as a legitimate form of workfare was a West German practice. In the East, education was used mainly as an introduction to employment and was available to very few clients. This difference stemmed from differences in the educational level of the client populations; the proportion of skilled workers with professional qualifications was much higher in the former GDR. Following the downturn in the East German labor market young people have had fewer opportunities to start a training program or to get a degree in their preferred profession.

Other East/West differences concern how extensively the 'Additional and Community Work' measure is utilized. In some West German cities, this extra work has been used extensively where it has been seen to meet a local need for community services, including the maintenance of public areas. In East German cities the "additional and community work" measure has tended to be used for short periods of 2–3 months in order to establish the capabilities of recipients before offering them an employment contract .

There are also East/West differences in sanctioning policy. West German administrators vary greatly in their willingness to reduce or terminate benefits where clients refuse to participate. Some West German cities (including Bremen and Dortmund) regard sanctions as counter productive because of possible resultant increases in crime. In contrast, in Berlin and Leipzig sanctioning is seen as a necessary condition for program effectiveness and as

the most effective way of establishing a willingness to work among recipients. The higher proportion of drug users among workfare clients in Berlin leads to this practice. East German sanctioning practices are more uniform, and in general reflect a greater readiness to reduce or terminate benefits.

Since end of the 90s all political parties support the idea of workfare, and believe occupational activity is the best means of fulfilling one of the major aims of social assistance – helping recipients to leave it and reenter the labor market. Differences between the parties mainly related towards the use of sanctions within more or less compulsory measures. However, there do exist clear political differences in underlying policy justifications, the kinds of HTW jobs envisioned, and the ways in which workfare should be delivered at the local as well as the federal levels.

Social-democratic and Green rhetoric has tended to emphasize the need to support rather than punish unemployed people, and to favor the development of a secondary labor market through the creation of insured work. Christian Democrats and Liberals, on the other hand, have tended to emphasize the “work-testing” and obligatory character of HTW job offers. They also tend to oppose insured employment components, as these constitute a ‘wage-subsidy’ incompatible with the free play of market forces. In addition, some Social Democrats favor policies to transfer jurisdiction over unemployed social assistance recipients to employment offices, and oppose moves by local authorities to establish administrative workfare units with similar responsibilities as employment offices. They maintain that unemployment should be addressed by a single agency. This view is justified in part by current funding arrangements in which both social assistance and unemployment assistance are branches of public welfare, funded by tax revenues. Under the Social Democratic and Green government, policies (including local level workfare policies) which seek to reintegrate unemployed social assistance clients, particularly young benefit recipients, into the primary labor market, have received greater *federal* attention and funding. However in since beginning of 2001 the positive effects are gone due to the general economic upswing.

3.3 Interviews with Clients and Street Level Bureaucrats

Bureaucrats of the social assistance administration and workfare client interpret the aims and the intentions of the HTW program predominantly positively. Younger clients regarded especially the possibility can make work experiences in contract based HTW job offers. Even if most possible to bring clients directly in the first labor market street level bureaucrats still idealize HTW as a kind of bridge into the labor market segment. In West Germany the majority of the clients still participates on voluntary base in the HTW program, while in East Germany they are more forced to participate in the program. These clients are more frequently confronted with the alternative to accept an contract based HTW offer or to accept an reduction of their social assistance benefits. Nevertheless even these clients adjusted positively the aims of the HTW program. East German clients feel more frequently confronted with negative stereotypes than clients in West Germany. The majority questioned

the notices correspondingly that by the participation the professional qualifications are got and improved. Workfare clients with an university degree adjusted negative the training parts of HTW program. The training supply within the HTW program are described as insufficient. The chances for long term unemployed with an university degree on the first labor market would hardly improve by the participation in the HTW program.

Non-German clients are confronted – particularly in East Germany – with extremely negative stereotypes. The majority of the clients have to face only one official in charge during program participation. These clients who have to cope with more than one official in charge expressed a negative opinion about the rationalized help that is provided. But all agreed that the contact to one official in charge is very helpful for them. In West Germany, the personal needs of clients are taken into account to a greater extent than in East Germany. A minority consider their chances on the first labor market to get a regular job after having finished the HTW program as good. The majority confirm that the main aims could be reached by participating in the HTW program.

Interviews with street level bureaucrats draw a picture that bringing clients in the HTW program is a most significant possibility to reduce the local expenditure for minimum income support. Due to this they see a necessity for more or less compulsion to bring client in the workfare program. There different perspectives in East and West Germany of the relevance towards compulsion for program participation. Bureaucrats from East Germany assess the compulsion to work more importantly than their colleagues in West Germany. East German bureaucrats therefore are also more willing for reduce benefits in case of non-cooperation in the HTW program.

An administrative agreement stated that street level bureaucrats have especially to force young social assistance clients to take a job offer in the HTW program. The bureaucrats have to consider the social rights of the clients. This means they are not allowed to force client to take the first available HTW job offer. However in the understanding of bureaucrats several clients must be directed towards the right pathways in and out of the HTW program. Due to this some bureaucrats prefer a so called patriarchal behavior in the administrative interaction with the clients. Most of the bureaucrats stated that they have as an result of the increasing number of clients a relatively small time budget for each client. In the consequence the low professional support for the workfare clients recipients suffers from bureaucratic behavior and time pressure.

3.4 Findings from review of effect evaluations

According to the SAA, the local authorities are not obligated to evaluate their workfare measures. This together with the heterogeneity of the local workfare programs creates a significant challenge/problem for policy makers – namely, how to make available comparable information from local workfare programs in order to do evaluations of current practices and to make effective and responsive policy suggestions. Currently the available program data in most cities is very poor, both quantitatively and qualitatively, due to the lack of systems to monitor their workfare measures (though there are some city state exceptions). Even the cities which do have data collection practices produce different types of data based on

local system and policy variations. As a result, the criteria to evaluate workfare programs vary widely and are often incomparable. Some cities, for instance, monitor the number of payments for workfare programs, others monitor workfare clients and calculate program participation on the basis of social assistance recipients as the workfare rate etc. Further information on former workfare clients after the termination of their participation in a HTW program are not object for social reports. Even the kinds of information collected on clients (socio-demographic, labor-market related, etc.) varies considerably among localities. In most cases there is also no annual statistical report. In short, what is lacking are homogeneous criteria, which in turn are lacking because the workfare policies themselves differ from one another substantially. Thus, these differences in local practices and policy aims, make it extremely difficult to come up with any useful criteria for doing comparative analyses of outcomes.

Because of the lack of adequate data collection systems, some cities do not know exactly how many workfare clients they have, who they are and what kind of problems they have. Of course they have a general understanding of their workfare program, but this is determined in most cases only by qualitative information collected during case handling by the social workers and their case-by-case perspective. The situation is of course better in small cities where a program overview is more readily obtained. At the Federal state level, on the other hand, the situation is very problematic, because even within the same Federal state cities have different policies and produce different data. For many dimensions data does not exist, except for data on aggregate expenditure, but without any information about workfare clients' entry into, participation in, and exit from program components. As a result, available data cannot be used as comparative indicators of the seriousness or even types of problems addressed by workfare practices at the local level. High numbers of workfare clients with a regular employment contract can be an indicator of both high numbers of socially deprived long-term social assistance recipients, as well as a generous municipality which easily moves recipients into employment actives. On the other hand, low numbers of workfare clients can indicate either an unproblematic situation, or restricted access to this type of workfare measure. Without any agreed upon measurement criteria, it is not possible to construct an instrument for measuring outcomes of workfare programs.

As mentioned above a system for monitoring the administration of the HTW program is especially established since the early 1990s in the city states of Bremen, Hamburg, and Berlin, where the local and Federal State levels converge under one administration. Here the ministries responsible for social assistance have commissioned studies of those workfare programs which provide clients with employment contracts. In subsequent years other local administrations (e.g. Leipzig) and ministries of other Federal States have also commissioned their own evaluations. In general, these evaluations have tended to focus on three objectives: 1) assisting social assistance recipients in finding unsubsidized work; 2) achieving local authority social assistance expenditures; and 3) raising the self-confidence and capabilities of clients.

Some studies have tried to evaluate the extent to which former clients of contract-type work became employed after their workfare activities ended. In Bremen, in Hamburg, and in Berlin questionnaires were sent to all former clients who had participated for one or more years some months after they finished their program components. Clients were asked whether they got employment in the first months after they left. Although the response rate was never

greater than about third, the respondent profiles resembled the general participant populations sufficiently that sampling errors were deemed to be small.

The main findings of these studies are as follows: Of the former clients who completed the workfare program in Hamburg from 1989 to 1991, a third had a job and nearly one-half were unemployed, a tenth had entered retraining, and another tenth had left the labor force, either permanently (e.g. because they were drawing a pension) or for an extended period of time (e.g. because they were caring for children). Nearly all employed men worked full-time, while every sixth woman worked part-time. Only two-thirds of all employed former clients had permanent employment contracts. Certain characteristics of former clients correlated with a greater chance for current employment: being male, under 35 years of age, married with children, unemployed for less than two years before having entered the workfare program, and employed for more than five years before having become unemployed.

In some respects surveys in Berlin and Bremen brought similar findings. In Berlin a fifth of the former clients who had left the workfare program in 1989 had a job on the primary labor market (of whom one-third had fixed-term contracts), three-fifths were unemployed, one-sixteenth took part in job creation programs funded by the employment office and another sixteenth took part in training schemes. In Berlin single mothers with formal vocational qualifications and married men with children had better placement prospects than other clients. In Bremen clients were interviewed who passed the workfare program between 1989 and 1992. A fourth of them found employment in the first months after completing their workfare activity (of whom a fifth were on job creation program funded by the employment office), nearly three-fifths were unemployed, and a tenth had left the labor force permanently or for an extended period of time. In Bremen women, people with formal qualifications and people who lived with a spouse (or partner) and children were employed more often than other groups.

Already in the 1980s studies demonstrated the local cost-benefit savings of HTW jobs with an employment contract subject to social insurance. Savings occurred even when workfare clients became unemployed at the end of the employment contract because they had acquired an entitlement to unemployment benefits, to unemployment assistance, or to participate in employment promotion measures funded by the employment office.

In this respect HTW jobs with a regular employment contract were very successful. In Hamburg about two-fifths of former clients drew social assistance, two-fifths drew unemployment benefits or unemployment assistance (of whom a tenth also received social assistance), and one-third were employed and earned their living. The workfare effects in Bremen and Berlin were similar. In Bremen only a tenth of former clients drew only social assistance, half received unemployment benefits or unemployment assistance (of whom a tenth drew social assistance in addition), and two-fifths were employed and earned their living. In Berlin a third drew only social assistance, two-fifths received unemployment benefits, unemployment assistance (of whom a tenth draw social assistance in addition) or lived on other benefits from the employment office because they participated in training schemes, and a third were employed and lived on their wages.

Chapter 4

Executive Summary: The Netherlands

Henk Spies

4.1 Design of the policy

Aims and backgrounds

Over the last decade, the provision of social security in The Netherlands has undergone a paradigmatic shift. The emphasis has moved from protection, through the provision of income and/or services to those who find themselves out of the labour market, to promoting participation through an activating labour market policy that provides incentives and offers opportunities to encourage people to provide for themselves by means of paid work. The introduction of the Youth Employment Act (YEA), a workfare policy which became operative in 1992, can be seen as a key consequence of this shift.

A comparison of workfare programmes in several European countries reveals many similarities between programmes in Denmark, the United Kingdom and the Netherlands. In general, activating labour market policies in the Netherlands constitute a mix of Scandinavian and Anglo-Saxon models. On the one hand, they incorporate an institutional commitment to full employment, with emphasis on active social policies (education, training and employment projects) rather than passive measures (unemployment benefits), that has traditionally been associated with Scandinavian social policies. On the other hand, they emphasise a set of obligations for individual clients which have to be fulfilled in order to access welfare, which can be traced back to Anglo-Saxon (debates on) social policies. The resultant mix is not so much an active, but an activating labour market policy, reflecting the Anglo-Saxon emphasis on individuals (unemployed people) rather than on institutions (delivering agencies) in an otherwise Scandinavian active policy design.

The YEA was developed against a backdrop of high youth unemployment. In the 1980s youth unemployment reached unprecedented levels. Two-fifths of all registered unemployed people were between the ages of 16 and 24.

Content of the programme

From the time of the introduction of the YEA, people aged 18-22 who had been unemployed for six months were no longer entitled to a minimum income (a benefit), but rather to a minimum job. In 1998 the YEA was merged with previously non-compulsory training and employment programmes for older long-term unemployed people through the Jobseekers Employment Act (JEA). The results of this development are twofold. On the one hand, a workfare policy has been broadened out to include a wider range of recipients. On the other hand, as more options became available for participants, and schemes can now consist of subsidised work, schooling, training and unpaid (voluntary) work, the form of the

policy has changed from “workfare” to a broader form of “activity fare”. Young people remain the major focus in the JEA. The policy aims “to stimulate long-term unemployed people, and especially the young, to participate in activities that promote entry into the labour market and prevent social exclusion.”

Sanctions underlie obligation. A person who refuses to participate, or who drops out of JEA for illegitimate reasons (for example, through dismissal for regularly showing up late or not at all, or not fulfilling assigned tasks) may be sanctioned by withdrawal of the right to a benefit for a period of one month. After this period a person may have their entitlement to benefit renewed if they are considered to be co-operating. In practice, this “ultimate” sanction of withdrawing the right to a benefit is often preceded by several warnings and minor sanctions. For example, a person who shows up late may be sanctioned by deducting a corresponding part of the wage or benefit.

Three principal schemes are available: subsidised employment with a regular employer in profit or non-profit sector; subsidised employment with a municipal employment organisation; and/or training and social activation. The schemes are designed as single pathways, but may be combined. From the point of view of an unemployed client, the different schemes within JEA constitute different regimes, as each scheme constitutes a different set of rights and obligations. Three regimes can be said to exist within JEA, on a continuum from welfare to work.

- 1 subsidised employment with a regular employer can be considered to comprise a work-regime. For participants working in subsidised employment with regular employers, the rights and obligations they experience do not differ from those of any other worker in the sector. They can therefore be considered to be part of the working population, to whom a “normal” work-regime applies.
- 2 subsidised employment with a municipal agency comprises a workfare-regime. The rights and obligations of those who have a contract of employment with a municipal agency and are sent on secondment differ significantly from those of regular workers. In many respects (conditions of employment, earnings, content of work) their jobs can be considered to be “second rate”. Moreover, their work consists inherently of partly “superfluous” activities (at least in an economic sense) because their activities are permitted to replace regular work only to a very limited degree. This form of subsidised employment constitutes a form of social security that is radically different from traditional welfare because of the requirement that one has to work rather than merely be willing to work. It can clearly be labelled “workfare”.
- 3 training and social activation comprises a (tightened) welfare-regime. People who participate in training or social activation continue to receive a benefit. With regard to this option, it seems to be necessary to distinguish between the two target groups of the JEA. For young unemployed people, participation in training and social activation schemes (so called preparatory trajectories) is strictly compulsory whereas for long-term unemployed people, to date, participation in social activation experiments has been largely voluntary. (Whilst possibilities for more obligatory social activation activities exist for older people, as yet these have rarely been put into practice). For young people, participation in training and social activation schemes (or: preparatory trajectories) can be said

to imply a tightened welfare-regime. It could be argued that the requirement to participate in training or social activation activities distinguishes this regime from workfare as much as from traditional welfare, so that “schoolfare” could be a more appropriate term. For the long-term unemployed, a more traditional welfare-regime continues to exist.

Delivery of the JEA

The responsibility for employment policies within JEA have been partly transferred from national to local government, allowing more flexibility and for policies to be tailored to the local context. Because responsibilities are decentralised to local governments, differences in delivery exist between municipalities. Two policy instruments are being developed to limit these local differences. First, a “measuring rod” is used to categorise unemployed people with regard to their “distance to the labour market”. Second, a computerised information system containing information regarding the historical backgrounds of clients is being developed. These instruments are to be used by all organisations in the field of work and income provision (Employment Offices, Social Services, Social Insurances Agencies, Municipal Employment Organisations).

The “measuring rod” is used with newly unemployed people and is intended to help determine what provisions are necessary to insert the client into the labour process. Criteria include education, work experience, age, unemployment history, social skills, motivation/flexibility, mobility, preferred occupation, hindrances for taking up employment, and the condition of the labour market. Clients are distinguished as belonging to four categories or, to use the official term, “phases”:

- 1 people who are likely to find work without any help;
- 2 people who, with a short spell of training, will have good chances of finding employment;
- 3 people who, with intensive coaching and training, will have a chance to find employment;
- 4 people who are not likely to find employment.

Persons in categories three and four are considered to make up the core JEA target group. Clients in category two might be referred to the Employment Office for short training courses.

By describing these categories as “phases” policy makers imply a process of (upward) movement between categories. This conceptualisation is underpinned by a technocratic understanding of the problems of unemployed people and the means by which they might be overcome. The implicit idea is that people who are in category 4 may be moved up through the categories, by means of, for example, social skills training, then intervention to improve “knowledge”, then further intervention to help with jobseeking, then guidance about how to secure a job, and finally through finding primary employment.

4.2 Effects

Review of available research evidence

In research on the YEA much attention is paid to the implementation of the policy. Important issues are, firstly, what part of the target group is actually reached by the policy and how they are selected, and secondly, whether those who are reached by the policy actually are placed in a YEA-job.

Although the YEA was intended to offer all young unemployed people a placement after 6-12 months of unemployment - an offer they have to accept - this target was not met. In 1992-1993 54% of the target group participated, and this figure increased to approximately 66% in 1993-1994. Furthermore, not everyone who signed a YEA contract could be offered a job. In 1996, for example, 20% of those with a contract did not have a job (point in time figure, averaged over one year). After signing a contract, 5% of the participants still did not have a job after 3 months, and 1% even after more than 6 months. With the introduction of the JEA the procedure for getting a JEA contract has been changed, reducing the "right" character of this form of additional employment. A contract is now only offered after a placement has been realised.

Participants in the YEA differ from participants in preparatory trajectories with regard to sex, educational qualifications and prior working experience. Selection not only takes place on the basis of "objective" chances on the labour market (educational qualifications, prior working experience), but also on the basis of social backgrounds of clients. There are, for example, significant differences between participants, successful leavers, and drop-outs from the YEA with respect to the degree to which they have been confronted with problems that spring from the divorce or death of one's parent.

Table 3 Reasons for outflow of the YEA (Verkaik et al. 1998)

Reason for outflow	Outflow percentages	
	1995	1996
Regular employment	49%	54%
Education	4%	8%
On own request	8%	7%
Dismissed	25%	19%
Other (a.o. moving house)	13%	12%
N=	12,938	13,704

Chances of outflow into regular employment from the YEA are bigger for non-migrants, those with higher education and those between 19 and 22 years of age. According to the official YEA evaluation (1996), outflow into regular employment is approximately 25% (gross effect) on a yearly basis. Part of these participants would have found work without the YEA. 58% of these successful leavers claim they would have found a job anyway. 27% of their employers confirm this claim. This last figure is taken to be more accurate than the former figure. Thus, 27% of the gross effect is taken to be dead weight, which leaves approximately 18% as the net effect of the YEA after one year; this means that an additional 18% of unemployed people find regular employment as a result of participating in the YEA. Placement in private sector jobs has better prospects of outflow into regular employment than placement in public sector jobs. Participants that flow out from public sector jobs into

regular employment generally have better quality employment (more often a steady contract and a better match between their qualifications and job requirements).

Outflow into regular employment seems to be largely dependent on general economic developments. Favourable economic developments and consequent job growth in the Netherlands seem to be the most important factors for increasing outflow into regular employment. The YEA monitor study on 1996 mentions significantly higher positive outflow than the earlier study.

It is striking that there is also a 22-24% outflow into regular employment from preparatory trajectories, as participants in these trajectories are considered to be not yet ready for subsidised employment, let alone regular employment. This indicates that the hierarchical and technological logic in the design of the JEA policy is not convincingly empirically validated. This finding can also be interpreted differently, as indicating that the more client centred approach that is generally used in these preparatory trajectories, as compared to the YEA / subsidised additional employment option in the JEA, is more efficient in realising participants' potentials.

Although the YEA (or the subsidised additional employment option for young unemployed people in the JEA) is not supposed to substitute regular employment, results of surveys among employers indicate that 23% of the YEA jobs in the private sector replace regular employment, which is true for only 3% in the public sector. The limited substitution of regular employment in the public sector is mainly due to limited budgets, not allowing for extra (regular) jobs.

The transformation of the policy in practice. Results from interviews with policy makers, administrators and participants

Interviews with policy makers and administrators delivering the policy suggest that there is wide-spread confusion on the division of responsibilities between agencies, local government and national government. Although in the design of the JEA many responsibilities are decentralised to local government, municipalities are hesitant in actively taking up these responsibilities. They are used to a role of "controlling afterwards" and not to one of "initiating". Many municipal bodies are involved in the delivery of the policy, but it is not always clear which of these bodies has a "leading" role.

There also seems to be a gap between moral rhetoric on the responsibility to work in exchange for social support on the one hand, and the way clients are approached in practice. In the design of the policy the aim is to integrate participants in the labour market, and participation is compulsory on the threat of losing one's income. In the delivery the aim as well as the compulsory nature of the policy are often transformed.

In general administrators consider it as their jobs to move clients closer to the labour market, a move that they consider to be in the best interest of clients, whether the clients themselves realise this or not. Especially in current favourable economic conditions and declining unemployment, opportunities to actually find a job are better than they used to be. To many administrators this is the main justification for the use of compulsion. However, when they speak about how they try to get clients from A to B (from a benefit to a job) they are much more shaded and ambiguous about the aim of their intervention, often settling for the general aim "to improve a clients' situation".

Also, in their descriptions of the programmes most administrators do not emphasize compulsion, but rather the opportunities they offer. It is their experience that clients are more easily persuaded to participate by pointing out opportunities than by threatening with sanctions. Another reason for not emphasising the compulsory nature of the program, is that they fear that some clients may become aggressive. Not all clients see their work as being in their own interest. A practical consideration that leads to some ambiguity on the use of compulsion, is that actually sanctioning participants generally involves much paper work, and normally increases the work load of administrators: decisions have to be motivated, may be overruled in the back office or clients may object, in which case they have to get back to the case once more. Especially when work loads are high, as often seems to be the case according to administrators' accounts, these practical considerations may lead to differences between intentions and practice of the policy.

Overall though, most administrators think compulsion helps participants realise that participation is in their own interest, and over time contributes to their motivation to participate.

This interpretation contrasts markedly with participants' interpretation of compulsion. Their interpretation seems to be the other way round; initially they are motivated by the perceived opportunities the policies offer, but the longer they stay in the programme, the more their continued participation is related to the compulsory nature of the policy. Given the institutional interest administrators have in co-operative clients, part of the explanation for this discrepancy between administrators' and participants' accounts may be that administrators confuse co-operation with motivation.

Most young unemployed people have a rather limited understanding of the policy, and are often not or only vaguely aware of the different options that exist, as well as of the division of responsibilities between different agencies involved in the delivery of the policy. Although their evaluation of the policy is largely dependent on the specific outcome the policy has for them, many participants seem to feel that the policy does not offer them very much, and that they are often approached in an impersonal and bureaucratic way, with (too) little attention being paid to their own subjective experiences and problems they encounter.

Although most participants hold favourable opinions on the policy initially, over time their opinions often seem to change, as they experience the compulsory nature of the policy and / or get disappointed with regard to their expectation that participation would get them a regular job.

Many participants are not satisfied with their YEA jobs. They often complain that the work is boring, that they have nothing to do, only get the lousy work, and are not taken seriously by regular employees. Alternatively, many participants complain about the low wage they receive, although they do the same work as regular workers.

These findings indicate that YEA employment is trapped between two contradictory aims, of on the one hand providing participants with relevant (meaningful) working experience to increase their chances on the labour market, in which case the wage attached to YEA employment is too low relative to regular workers who do the same work, and on the other hand the requirement that the work should be additional in the sense of not substituting regular employment, in which case it is hardly possible to gain relevant (meaningful) working experience.

Evidence from research in which drop outs from a workfare programme have been interviewed suggests that many of these drop outs, who lost their right to a benefit for three months, suffer severe marginalisation. Many of these drop outs have vulnerable relations with their parents, family and friends. This means that in case they are deprived of an income, they cannot always, or only for a limited period of time, count on these relations for subsistence. Some of them mentioned that they intensified their criminal activities after being excluded from a regular income. Although the threat of sanctions may contribute to (continued) participation of clients - and in that specific sense can be said to contribute to inclusion - actual sanctioning leads to exclusion. Clients may react differently to this exclusion, some trying to get back into the programme, and others aiming for “other” solutions. Limited evidence suggests that this latter option is not hypothetical.

Chapter 5

Executive Summary: Norway

Ivar Lødemel with Espen Dahl and Heidi Vannevjén

5.1 Introduction

Workfare in Norway differs from the programmes in the other five-six countries in two important ways. With a tradition of strong local autonomy in the implementation of social assistance, and now workfare, Norway represents an interesting, if not necessarily representative, case. Workfare in Norway is, moreover, highly selective and used as a condition tied to social assistance for a minority of recipients. Its selective nature is in part explained by the existence of well-developed Active Labour Market Policies (ALMPs).

The boundaries between workfare and ALMP are blurred, first, because other programmes are available to unemployed recipients of social assistance. Second, because some local authorities use the work requirement to make the participation in ALMPs and other training programmes a condition for continued receipt of aid (Vik-Mo and Nervik, 1999). From a comparative perspective it is therefore important to stress that while workfare in Norway has no defined options or trajectories, alternative programmes outside of workfare therefore represents options and trajectories for participants and for the social workers in the social services

The regulation of workfare in Norway is limited to a condition to the receipt of benefits. The paragraph regulating conditions for aid states: “It can be made a condition that the recipient carries out suitable work in the town of residence for as long as the person receives benefits” (Social Services Act 1991, Article 5-3.2). The local authorities decide whether to use this condition or not. As such, it is not a programme in the strict sense.

5.2 The objectives behind the work requirement

Theoretically, the use of workfare may serve different objectives, ranging from the integration of the individual in the labour market to curtailing benefit expenditure by discouraging claims and avoiding work in the shadow economy. The majority of the *Storting* (Parliament) limited the aim of the work condition to the interest of the individual claimant. The purpose of setting people to work in exchange for benefits was to further the overarching objective of “self help” through rehabilitation in the social assistance legislation. By the statement *The desired connection between the responsibility of the individual and entitlements is particularly important to convey to young people with no work experience*. (Innst. O. nr 9, 1991/92) the Social Committee also introduced an educative and corrective justification.

Among the programmes in the six nations, the Norwegian work condition is unique in that neither detailed regulations nor resources made available to municipalities where the condition is applied are used as instruments to further compliance. Based on a review of Act, ministerial circulars and statements made by the Social Committee in the *Storting* we can distinguish the following specifications.

- **Contingency.** The Ministry of Health and Social Affairs specifies the target group by stating that this rule should in particular be used with regard to “young recipients” (Ministry of Health and Social Affairs, 1993a).
- **Scope.** The operation of the condition is left to the municipalities. It is therefore for the discretion of local political authorities and social workers in the social services whether to use the condition or not, as well as in determining which particular clients to include.

Two years after the Act was introduced, approximately one third of the local authorities had used the condition at least once (Lødemel, 1997a). Later evidence suggests that this number remained stable towards the end of the 1990s (Vik-Mo and Nervik, 1999). In 1995 it was estimated that less than 5% of all social assistance recipients participated in compulsory work in the local authority

- **Work specifications.** There is no specification in the guidelines concerning the sectors in which work should take place. With the phrase “work in the local authority” the legislator indicates that the municipality should act as employer, and that work therefore is restricted to services provided by the local authority
- **Training as part of work.** Neither the Act itself nor the accompanying circular from the Ministry mentions a training component. The closest we can find is a statement in a letter from the then Minister of Social Affairs, Grete Knudsen, to the Norwegian Trade Union Confederation. The Minister states that the work should be part of “a systematic programme, individually tailored to ensure help to promote the self-sufficiency of the recipient” (Ministry of Health and Social Affairs, 1993b).
- **Duration.** Neither the Act nor the Ministry provides any specification of the duration of the work requirement. With the wording “for as long as the person receives benefits” (Social Services Act, 1991, Article 5-3.2) it is theoretically possible to require that clients work for an indefinite period providing they are still in receipt of social assistance benefit.
- **Remuneration and financing.** Recipients work in exchange for benefits, and no separate pay scheme is in operation for those working. In Norway the level of social assistance benefit is set locally and is subject to considerable geographical variation. There is no requirement that local authorities set aside funds for the running of the scheme, neither has central government a duty to provide funds earmarked for the operation of workfare.
- **Compliance and sanctions.** The work requirement is included under the paragraph listing conditions for the receipt of social assistance. If a client fails to comply with a condition, benefits may be terminated. The circular to the Act states, however, that also when the

client has no valid reasons not to participate a lower level of “crisis aid” can be provided (Ministry of Health and Social Affairs, 1993a).

- **Inter-agency cooperation.** In a joint circular to their respective local agencies, the Ministry of Health and Social Affairs and the Ministry of Labour urged the social services and the labour market authorities to cooperate and to coordinate efforts with the view to improving the integration of unemployed recipients with multiple problems (Ministry of Health and Social Affairs, 1991).

To sum up: the work requirement is intended to be targeted at young people, offering an individually tailored programme with the aim to further labour market integration. Work is supposed to be limited in time and duration, and the social services are obliged to cooperate with the labour market authorities in implementation. There are, however, very few binding specifications designed to ensure that these principles are followed in implementation.

5.3 The political background

In addition to the decentralised and discretionary nature of social assistance, the political situation at the time of enactment added to the lack of guidelines and rules for implementation. A minority Labour government ruled Norway when the Social Services Act was enacted. In the vote the proposal was passed with the support of all the non-Socialist parties; only the Labour Party and the Socialists voted against. At the time of enactment, the Labour Party was therefore forced to introduce a work requirement to which they objected. Rather than aiming at ensuring implementation in accordance with the objectives agreed upon in Parliament, the then Minister of Social Affairs chose to take an “ostrich position” and give few specifications beyond passively referring to the views expressed by the Parliamentary majority. Rather than furthering compliance in implementation by issuing regulations, the Labour government in this way left to the local authority decisions on how to use the condition

5.4 Main findings from research into implementation

A survey based study of implementation was carried out two years after the new requirement came into effect (Lødemel 1997). At that time one third of the municipalities had used the work requirement at least once. Later evidence suggest that this number has increased, but still less than half of the local authorities apply workfare.

When asked about their objectives with the use of the work requirement, the leaders of the social services answered in close adherence to the objectives determined by Parliament and the Ministry. Only in a few cases were objectives such as saving on assistance expenditure, and getting jobs done for the municipality mentioned.

The survey questions concerning the actual implementation of the workfare condition revealed, however, a different picture. Five criteria for implementation in accordance with official objectives were identified in the overview. The survey found that *more than* half of the offices used the work requirement in a way that was in conflict with at least three of the five criteria listed (Lødemel, 1997). The typical local projects consisted of created work with an emphasis on maintenance of public buildings and parks. Few options were in place, and the projects were therefore not individually tailored to the needs and skills of the participants. Finally, only a third of the active offices met the requirement to cooperate with the labour market authorities. The development after 1995 suggests however that workfare in Norway is changing. While central government has remained passive in regulating the use of the workfare condition, it has contributed to the growth of more organised and tailored programmes at the local level. Although we still know little about the nature of the new initiatives, the social division of activation in Norway is now more complex than it was five years ago. More localities now than earlier practice a form of workfare which is closer to ALMP, while at the same better tailored to the needs of unemployed recipients of assistance.

As part of the research project presented in this report, the research team interviewed people in charge of implementation at the local level (SLBs) and clients participating in the projects. The findings are illustrative and do not necessarily give a representative picture of the situation in Norway when the interviews were made in 1999..

SLB's perspective

Compulsion

The respondents expressed a twofold view on the compulsory nature of workfare. All respondents emphasise that they view participation mainly as a new offer presented to clients rather than as a new obligation. They argued that they offer participants a new way out of social assistance dependency by aiding their transition into self-reliance through regular work. Even where work was not the outcome, the argument was that participation in itself contributed to strengthening the self-esteem of their clients. At the same time, the majority of respondents argued that compulsion was a necessary "push" for many unwilling clients. While many informed all potential participants about the compulsory nature of the programme, others used the threat of compulsion as a last resort instrument to ensure participation among the unwilling. This selective use of compulsion is made possible by the nature of the legislation as there is no requirement in the law to make participation a condition for continued receipt of benefits. The use of compulsion as a threat became evident in the extent of sanctioning. Sanctions were used only after several attempts to convince unwilling clients, and then typically as a reduction in benefit rather than full withdrawal.

Rights and responsibilities

One aspect of the selective and discretionary nature of workfare in Norway is that the social services are under no obligation to offer their clients a place in a project. It is therefore not surprising that the majority of respondents stressed the responsibility of their clients to participate more than their right to receive an offer. In their view the responsibility to participate was an expression of respect for their clients, and of faith in their ability to do so. It

also follows from their view of workfare as an offer more than responsibility that they considered participation a right.

Their role as advisors

All the respondents were trained social workers. Advice and counselling was therefore perceived to be an important part of their work in the projects. Communication was for the most part face-to face. Although much time was spent motivating, several respondents felt that the burden of administrative work allowed insufficient time to meet and talk with participants. Several stressed a frustration with the lack of stronger formal training component in the projects.

Participants perspective

Compulsion

Unlike many of the SLBs, all the respondents saw participation as compulsory. It was clear to them that if they failed to comply, their benefits would be reduced or denied.

But the reaction and reflections around compulsion differed among the people interviewed. Respondents with higher education and previous experiences of regular employment (all immigrants/refugees??) experienced workfare as something they had to do to get their benefit. They felt that workfare, in the way it was practiced, should have been voluntary. They stressed the lack of work-related training, and they expressed that they should have the right to receive benefits while they were applying for work without being forced to work for the municipality. They would have been more positive if there were better and individually tailored programmes in place.

A second group were less educated; had a weak attachment to the labour market; exhibited low self-esteem and suffered from a variety of social problems. Most of the respondents in this group experienced participating in a scheme as an offer, although they knew it was compulsory. They wanted to participate, some of them had taken the initiative themselves. Some clients in this group also mentioned the lack of real work-related training.

A third group shared characteristics with the group above but suffered in addition from drug or alcohol problems. These respondents were all happy to participate, and did not feel it as compulsory. For them it was perceived as a way out of drug- and alcohol-problems. These respondents did not call for more training as part of programmes. They valued the opportunity to be part of a group, and saw participation as a way to live a more normal life, including improved daily routines. While compulsion was not perceived to be a problem, they wished that activation should become a right for all clients with similar problems.

The balance between rights and responsibilities

Again the clients opinions was socially constructed. While the respondents from the first group felt that the balance was unfair, they would accept the compulsion to participate if the schemes were more individually tailored and contained a stronger element of relevant training. Respondents in the other two groups felt that the balance was fair. They thought that clients should do something in exchange for the benefit, not only sitting at home receiving money. Perhaps surprisingly most of the respondents thought that the social workers

did not exercise much discretion with regard to applying the work condition. They had been told that the rules required them to work.

Communication with advisers

Most of the respondents communicated with at least three SLBs. Each client was allocated to a social worker at the social service department. In addition to appointments once a month, some managed to arrange more meeting on own initiative. They approached this worker with both financial and personal problems. Respondents with severe problems wished that their social worker was more easily available. In the social service department, their main social worker decides on who should be required to work, while a second worker decides on the nature of work. The latter worker appeared to be a less important point of contact. The third SLB was the leader of the work group. While the less resourceful respondents enjoyed the contact with this worker and benefited from advice and follow-up, this was not the case for the respondents with higher education and a stronger attachment to the labour market.

5.5 Results from the effect evaluation

The aim of this part is to examine the recruitment process to Norwegian workfare programs in the municipalities, and whether the programs work as intended. We ask to what extent does the program group differ from the comparison group; is creaming present, and whether participation in the workfare scheme enhances the social assistance recipients' chances of becoming *self-sufficient*.

The study employs a quasi-experimental design and takes advantage of the rich data that are available in the official Norwegian statistical system. The program group consists of 300 participants and the comparison group of a random sample of 1560 non-participant beneficiaries. Both groups belong to the same 40 local social service agencies. The effect analyses are carried out by means of multiple OLS regression in order to control for observed selection bias by a range of background variables. To deal with unobserved selection bias both parametric (the Heckman model) and semi-parametric (Manski's maximum scores) selection models are applied.

In the Norwegian workfare schemes, "creaming" i.e. selection of participants according to expected utility, is not a pronounced strategy. Recruitment according to need, i.e. former labour market and "dependency" problems, are more salient features. The participants have less work experience, more often experiences of long term receipt of social assistance, and more frequently unsuccessful participation in activating programs. This finding is at odds with experience elsewhere. Numerous studies of the participation in ALMP in Norway and in workfare-like schemes in Europe, have very often documented that creaming occurs: Clients who participate in employment programs are better equipped with labour market resources and human capital than those who do not participate. This suggests that the approach found in Norwegian municipalities is more efficient (cost-effective) because the dead weight problem is less: scarce resources are not wasted on persons who are able to get a job on their own.

The workfare schemes produce only partial effects, namely higher income in the long run, i.e. after two years, but not in the short run, i.e. after one year. Neither in the short run nor in the long run does the program impact on labor market participation. Why do we detect a positive effect of earnings and no effect on employment after two years? One interpretation is related to the methodology: To be recorded in the national registry of employment, an employee has to meet certain minimum conditions in terms of working hours and duration of the labour contract. Even if they do not meet these criteria, some may be in gainful employment for example with many, but short-term labour contracts. Thus, they will have recorded annual earnings, but not employment. It is further possible to understand this discrepancy by introducing some ad-hoc hypotheses: We may assume that either a) the participants work more hours per year, or work more over time per year, or b) that they have obtained jobs with higher earnings, or c) neither a nor b, but that the participants have acquired some personal characteristics that are beneficial to them. Participation in workfare is intended to further the clients' normative attitude, strengthen basic work skills, or increase their self-efficacy. Our equivocal finding may be explained by referring to either of these three behavioural mechanisms: Improved skills and higher work ethic may enable former participants to work more hours, or the employers allow them to do so, or if the working hours are constant, participants are paid a higher hourly wage because of increased productivity. Alternatively, higher self-efficacy and self-confidence may have encouraged the program participants to seek better jobs or to negotiate higher earnings, something they would not have achieved without the program. In either way, the empirical findings are consistent with the behavioural assumptions that underpin the program. We do not have data, however, about such mechanisms. It has to be left to future research to shed light on this issue. Nevertheless, the conclusion is that participation in a Norwegian workfare scheme has a very limited impact on the outcomes which are considered crucial in the social policy discourse in the country. For this reason the schemes can hardly be considered a success.

Chapter 6

Executive Summary: Denmark

Laura Olsen, Anders Rosdahl and Hanne Weise with Ivar Lødemel

6.1 Introduction

In response to increasing numbers of working age people receiving out-of-work state transfers, successive Danish governments have developed an “Active Line” which links social and labour market policy. The underlying principle behind the Active Line is that “workless” people in receipt of public income transfers should be participating in activities which bring them closer to the labour market, and which are beneficial to society as a whole. This line was increasingly emphasised throughout the 1990s.

In the past, “active measures” (for example, training and publicly supported work) were offers or options that unemployed people and social assistance clients could take up if they chose to do so. However, increasingly, active measures have become both a right and an obligation for recipients. This is the essence of one form of *compulsory* active measure – here termed “activation”. Currently, *all* clients must receive an activation measure after a standard period in receipt of unemployment benefit or social assistance. If such a measure is refused outright, public economic assistance is, in principle, suspended. Measures often, but do not always, include a work-based component. Payment levels in the form of either benefits or wages, vary depending on the measure. Sanctioning for non-compliance once within the scheme is only partial although refusal to participate prior to entry into a scheme can lead to a total sanction.

While strongly associated with debates around the “rights and responsibilities” of individual recipients, the Danish Active Line, and activation itself, is unusual in two key respects. First, it is characterised by an understanding that the state *and* private enterprise have a responsibility to provide opportunities for inclusion. Second, as unemployment has fallen since the mid-1990s, activation policy has swung towards accepting the necessity of a long-term strategy towards inclusion in the labour market for highly marginalised individuals.

Officially, the primary purpose of activation is to bring people back into employment by developing their human capital. With decreasing unemployment since 1994 the target groups for activation have become “weaker”; today, enhancing the general quality of life of participants is also a legitimate goal, with the idea that “social activation” may help to reduce social problems. In principle, activation is a non-permanent situation for the individual participant. However, in practice, activation may continue for very long periods of time for some of the more disadvantaged groups, as they pass from scheme to scheme.

Work forms a significant proportion of activation offers, so that as activation has grown “workfare” has become a more integral part of Danish labour market and social policy. The origins of compulsory activation can be traced to 1990 and the introduction of a “Youth

Allowance Scheme”. This required 18- to 19-year-olds who claimed social assistance to participate in activation in return for benefits. This scheme was later extended to 20- to 24-year-olds, and today the basic principle (activation in return for economic assistance) holds for all social clients after a set period of receipt.

It is likely that compulsory activation (and hence compulsory work) will become still more extensive in the future as a further extension of the principle that “everyone with at least some work capacity to work should work”. This could even be extended so that early retirement or disability pensions are replaced with offers of work in circumstances adapted to individuals’ reduced working capacity.

6.2 Options available in Danish activation

Active measures include measures targeted at people of employable age without work who, for whatever reason, have been unable to obtain work in the regular labour market and who receive some form of income transfer, for example unemployment benefit, social assistance or an early retirement pension. Reasons include reduced working ability resulting from health problems or a lack of suitable jobs. In some, but not all, cases participation in active measures is a precondition for receiving financial aid from the state. (put in bullet points in 4 points below)

- *Work*: activity (often in cooperation with others) which leads to some product (either a physical or a service product). This work may be in ordinary public or private enterprises (in other words, with a wage subsidy), in voluntary organisations (for example, of a humanitarian kind) or in special institutions created for the purpose of activating certain groups (for example, specifically set up for social assistance recipients).
- *Training/education*: activity involving organised learning under the supervision of a teacher. Training may take place in standard educational settings or through special courses created for specific categories of people without work.
- *Activities of a social nature*: these include activities involving exchange of experience with other people in similar situations.
- Some mix of the above.

To qualify as an active measure, an activity must take place within a formal organisation of some kind. Individual “self-activation” (for example, taking care of one’s own children, fishing, or digging the garden) is not accepted as an active measure. Usually active measures are part of a public policy programme financed wholly or partly by the State (represented at national government, local authorities and at county level). The activity is formally regulated. Regulation concerns: the purpose and type of measure; the implementing institutions; the target groups and conditions for participating; the allowance received by participants; the duration and hours of participation; for which groups participation is obligatory; and the consequences of not attending in terms of the right to benefits. Some of the more recently

introduced measures, including “flex jobs” and “protected work”, have been, as yet, little used. However, the present government aims to increase the use of these schemes.

6.3 Target groups

According to the 1998 Act, obligatory activation holds for everyone receiving social assistance; people whose only problem is understood to be their lack of a job; and people with social problems in addition to unemployment. Exceptions to this general rule include:

- People who are sick, or who have a high probability of becoming sick if they are activated. The illness should be confirmed with a physician’s statement.
- Pregnant women or women with children younger than six months.
- People with small children in cases where it is impossible (for the local authority or others) to provide childcare. Publicly provided childcare is generally available for children aged one and over.

Excepted individuals may still participate in Active Measures.

In general the local authorities may themselves decide whom they will activate, how they will be activated and for how long. However, national legislation includes some minimum demands, which the local authorities must fulfil.

Under 30-year-olds must be activated after a period of 13 weeks continuous receipt of (passive) social assistance. For unemployed people deemed to have no significant problems other than lack of work, the activation period is 18 months, unless the young person has a vocational qualification in which case the period is six months. Since most young social assistance recipients have no vocational qualification, the typical activation period is 18 months. Activation is for at least 30 hours per week, up to a maximum of 37 hours per week. People aged under 30 who are considered to have social problems in addition to unemployment, also receive 18 months of activation. However, the local authority has the discretion to prescribe considerably fewer hours of activation per week.

Over 30-year-olds are activated after one year of social assistance receipt. Local authorities decide the duration of activation and the number of hours per week. If activation is for periods longer than 12 months an activation-free period (or “vacation”) of one month must be included. Local authorities are not obliged to re-activate recipients aged over 30 following a first activation period.

Local authorities may use written “Individual Action Plans” in an attempt to ensure a coherent form of help, and to take account of the background, the abilities and wishes of the activated person. The plan may specify an employment target, or may include more “soft targets”, such as improvement of the person’s general life situation, or overcoming a drinking problem.

6.4 Summary of results from interviews with SLB's and clients

SLB's perspective

- There exist a hierarchy between the different trajectories and that the deciding factor as to what trajectory is offered is an estimation of the client's skills and abilities.
- The different trajectories offer a wide range of different options.
- The interviewees all reflected and supported the official objectives behind activation. All interviewees thought workfare to be both a right and a responsibility. However they all emphasised that activation was only acceptable as long as people were given decent options.
- There is large amount of personal discretion available to local social workers.
- All the interviewees referred to having experienced clients who did not want to be activated and who felt compelled to attend. The ultimate sanction is the removal of social assistance. This however only happens in a rare number of cases.
- Local authorities have a large impact on how workfare is implemented, although the legislation set a number of minimum requirements. Because of this, guidelines will be different in different parts of the country
- No actual discrepancy between the formal design of the program and the actual practise was found.

Client's perspective

The main findings are that:

- Most of the clients do not seem to be reflecting over why they participate. Furthermore only few of them seem to be considering possible alternatives.
- The clients do not perceive a hierarchy of options
- The decisive factor in relation to the clients' evaluation of workfare is often their own personal experiences. That the clients experience a positive social network or find the content meaningful seems to be very important for their evaluation of the project.
- Most clients have a positive attitude towards workfare and believe they benefit from participating, although a small minority of particularly younger people strongly object the idea of workfare and believe participating to unfair and a waste of time.
- Those who are satisfied with activation see it primarily as an opportunity, whereas those who are opposed see it as a responsibility.
- Those who are satisfied express better qualifications and a higher quality of life e.g. a better social network, more confidence, better physical or mental health, as some of the benefits. Some of those who have a negative attitude towards workfare later change their

attitude usually because they experience that they benefit from participating either socially or vocationally.

- Not all clients have experienced sanctions but they do exist in the form of either a written warning, reduction in the benefit level or expulsion from the project.

Clients are usually satisfied with their communication with the project workers but less so with the social workers.

6.5 Main findings from effect evaluations

Denmark has activated recipients of social assistance since 1977 and in 1990 the first programme with elements of workfare was introduced. This report summarises findings from six different Danish evaluations of programmes that contain workfare elements.

How does activation effect future employment?

All evaluations are concerned with how activation effects future employment. Effects on future employment are mostly measured by registered unemployment, and it is usually assumed that when a person is not unemployed the person is either working or participating in an education. It is therefore not possible in most evaluations, except those based on a survey, to determine if a person is in work or education.

What groups benefit most from what type of activation?

Most evaluations show that persons below 25 years experience the highest employment effects. If a person has been unemployed in more than 70 per cent the year before the person is activated, the effect of the activation programme is lower than the effect among persons who experience less unemployment. This indicates that activation works best for the recipients of social benefit who are only unemployed and not so well for the ones who have social problems because of unemployment.

Nearly all studies show that activation in private firms with a wage subsidy has the highest employment effects. The more directly the activation offers are aimed at the ordinary labour market, the higher is the employment effect. This result holds more or less for all groups of activated recipients of social assistance.

Although compulsion has been an element in Danish activation policy for more than 10 years, none of the evaluations has been concerned with the effect of compulsion.

Participation in other activities (education)

Persons below 30 years often experience an increase in the motivation and possibility for participation in ordinary education, this is much less frequent among the older participants.

About 1/3 of the participants below 25 years, participate in ordinary education 6 month after they finish the activation offer, 1/4 is in employment. The entry into ordinary education is about 5 per cent among participant aged 30 or more.

Exclusion / poverty

Most evaluations show that most participants support the idea of activation. Almost all participants say that they got something out of the activation. That is either some formal qualification or some kind of increase in the personal motivation to reenter the labour market. When the activation offer is less aimed at the labour market, participants experience more frequent than others, that the offer increases self-confidence.

None of the reviewed evaluations contains information on income developments after the activation, and poverty is not a very central issue in Danish social policy due to high replacement rates and high minimum wages.

Persons who do not finish activation offers as planned are in most evaluations included just as the ones who finish. Persons who drop out of activation have more or less the same chance of being in ordinary work or education as persons who finish activation offers. None of the evaluations are concerned with persons who drop out before activation. There is however information on whether the activation offers increase job search. Persons who are less satisfied with the activation offer they got, and persons who do not finish the offers as planned, say more frequent than others, that the activation offer increased their job search.

Human capital

The aim of many Danish activation projects is to increase or maintain human capital and prepare participants so they can increase human capital.

The evaluations show that about half of the participants say that the offer in some ways increased their skills. Fewer (1/4) say that activation somehow helps maintaining their skills. This might be due to the rather low level of skills there is among activated recipients of social assistance.

One third says that activation increases education possibilities. This is most frequent among persons who finish the activation offers. Persons who drop out will typically not get a certificate there will qualify them to further education.

Macro-economic effects

None of the reviewed evaluations are concerned with how activation affects the general unemployment level and public spending. A report on employer's view on employment of recipients of social assistance includes an estimate of the dead weight loss of employment due to the wage subsidy. It is estimated that between 25 and 33 per cent of all private hirings with wage subsidies would have been made also without the subsidy.

Chapter 7

Executive Summary: UK

Bruce Stafford with Emma Cornwell, Noel Smith and Heather Trickey

7.1 Introduction

The UK research on workfare focused on the New Deal for Young People. This paper summarises the key findings from the qualitative interviews with clients and street level bureaucrats (Section 2) and from the systematic review of UK evaluations (Section 3). Recommendations arising from the research are outlined in Section 4.

Background – The New Deal for Young People

The aim of New Deal for Young People is to quickly move unemployed 18-24 year olds into permanent and unsubsidised employment. The programme seeks to improve young people's employability through the provision of intensive job-search support, work experience, education and training. Young people completing the programme should be better motivated and have greater self-confidence.

The New Deal for Young People was trialed in 12 pathfinder areas in January 1998 and implemented nationally in April 1998. The Programme adopts a case management approach, and has three main stages or components which young people are channelled through. After six months of unemployment young people enter a period of intensive job-search which is called Gateway. Gateway lasts for up to four months, depending on the claimant's enthusiasm and ability to be referred to find a job or a placement. Young people are not supposed to be directed into Options before they are ready. While on Gateway claimants continue to receive benefit and actively seek work. Gateway is designed to ensure that those who would have found work without too much outside support and assistance avoid unnecessary assistance through intensive help.

If young people are judged to be actively resisting the help offered through New Deal for Young People by refusing to go to interviews, they may be issued with a Jobseeker's Direction and risk losing two to four weeks benefit as a result. After four months, those remaining in the scheme move to the second stage, Options, which are placements lasting approximately six months. New Deal sanctions may be used for claimants failing to actively participate either by failure to attend, leaving Options early or being dismissed from an Option for reasons of misconduct. Options include education and training, subsidised jobs, voluntary and environmental work and self-employment.

- *Subsidised work* Placements last six months. Claimants receive a "real" wage for the job, may be eligible for in-work benefits and tax credits and are supposed to be treated as any

other member of staff. Claimants may be taken on by the employer at the end of the subsidy period.

- *Self-employment* Young people receive help, support and assistance to draw up a business plan and receive training and receive an allowance grant of up to £400.
- *Work in the Voluntary Sector/Environment Task Force* These options are targeted towards those who have some basic qualifications but are not yet job ready and for those with a special interest in the voluntary sector. Placements last six months. Participants receive either a wage or a training allowance equivalent to their benefit plus £15.
- *Full-time education/training* This option is primarily intended for those with no basic qualifications. Education may last for up to one year. Participants receive a training allowance equivalent to their benefit.

Each participant in New Deal for Young People has an individual Personal Adviser. The Personal Adviser is there to insure a smooth progression through New Deal by introducing the programme, and drawing up an individual Action Plan.

When Options are completed and if claimants have not found unsubsidised employment then a Follow Through period of further intensive support follows.

Numbers on the New Deal for Young People reflect its introduction as a national programme. The caseload rose rapidly during the early months of the New Deal before peaking at 149,500 in April-June 1999. They have fallen slowly, but steadily, since then.

7.2 Interviews with Clients and Street Level Bureaucrats

Clients' Perspective

The key findings from the clients' interviews are as follows:

- *Compulsion* Respondents were positive about compulsion within the New Deal and understood it to be both fair, necessary and a key motivational tool for most clients. The majority of New Deal clients were seen by respondents to be lazy, unmotivated, untrained and needing an extra push towards work which compulsion provided. Clients' knowledge of how compulsion worked in New Deal was not always clear. Sanctions such as loss of benefit and being removed from a course were thought to underpin compulsion. The most effective sanction was benefit loss, which was felt to be used to scare some clients. Some respondents admitting they were fearful of losing their accommodation and of mounting debts if sanctioned. Many clients confessed that without compulsion they would not have taken part in New Deal and so have missed out on the perceived benefits - increased confidence, job skills and a stepping stone into work. All clients felt there were subject to the same degree of compulsion. The appeals procedure was poorly understood by clients; with few ever taking advantage of the fact that decisions and sanctions could be appealed against.

- *Clients perceived rights and responsibilities* Rights and responsibilities rested with New Deal clients and Advisers and not with or towards wider society as a whole. Clients were seen to have various rights, which centred on the right to work. Advisers' responsibilities were to help clients achieve this. Clients had a personal responsibility to find work, if possible, to participate in the job-search process and to undergo training.
- *Personal Advisers* Personal relationships with Advisers were a key to how well New Deal worked on an individual basis. Clients who had a good relationship and believed they got on with their Advisers appeared to gain more than those who were dissatisfied with their Advisers. Clients who felt their Advisers were concerned with helping their clients achieve their needs were more likely to adopt an active and positive role and co-operate. Those that did not have a good relationship with their Advisers felt that their Advisers were trying to push them towards Options and jobs that were unsuitable. These clients were more likely to rebel against New Deal and appeared to benefit least.
- *Training* Training was seen as formal, leading towards a recognised qualification (in most cases NVQ level 2) and informal on the job training. Most clients were satisfied with the training they received. NVQ's were seen as beneficial by enabling clients to provide employers with the qualifications they needed to secure work. Informal training received in placements was evaluated positively; clients became more confident, acquired relevant job skills and experience. Overall, the training was seen as valuable in the search for long-term and sustainable work.
- *Participation* Generally, clients participated in New Deal because it was compulsory and they would lose their benefits if they refused. Some clients stated they thought that it provided good experience, a little extra money and was enjoyable and so was worth participating in anyway. Clients understood the official purpose as finding clients a job. This would benefit clients, government and taxpayers. Although workfare was not seen to work equally well for all clients, this was attributed to those not wanting to take advantage of what was offered. The only reason most respondents would leave the New Deal would be to go into a job; but a few would complete the programme because it was seen as more beneficial to do so.

Street-Level Bureaucrats' Perspective

The main findings from the interviews with staff administering the programme are as follows:

- *Compulsion versus Quality of Service: the means justifies the end?* Advisers understand compulsion within the New Deal to be justified in the context of a perceived improvement in provision and a better quality service than previously existed. However, "good quality" is not defined by set criteria, but rather is associated with customer care aspects of service delivery and the broad range of choices available through provision arrangements. Methods of ensuring "good quality" provision at the Options stage may be hampered by poor definition. Clients are often encouraged to come back to Advisers with any problems however, more formal complaint procedures are not usually verbally

explained to the client. Understandably, Advisers choose to use “good” providers for a range of reasons, and whilst perceived quality of service is important, the fact that providers are able to co-operate with New Deal paperwork or that they will take difficult clients is also important. Monitoring the quality of placements for individual clients may not take place where Advisers are under pressure from other tasks.

- *Client Motivation: New Deal helps those who help themselves?* The extent to which Advisers consider clients to be co-operating with the New Deal advice progress, is perceived to be key to the success of the programme. Co-operation is seen as the key responsibility of the client. Co-operating is understood to involve attending New Deal interviews, building a relationship with the Adviser, being open in terms of giving information, and entering a partnership with the Adviser in finding appropriate work or a suitable placement. As a result, the level of client “co-operation” (as perceived by Advisers) appears to be the key factor in determining the quality and form of service which clients receive. By co-operating, clients can access a better service. In consequence, co-operation is the key to obtaining a balance of rights/quality and responsibilities/compulsion.
- *“Social Worker” versus “Civil Servant”?* A tension between the role of Advisers as a “social worker” and that of “policing” the programme is a characteristic of New Deal. The extent to which Advisers negotiate with clients and attempt to take a broader picture of clients’ lives into account is an entirely new element of the work of most of the Advisers we spoke to. Advisers take pride in their role of taking a more rounded look at clients’ needs and trying to help them overcome indirect barriers to finding work (including homelessness and drug addiction). The extent of disadvantage amongst the client group is generally considered to be high. Support for Advisers from specialist providers in dealing with long-term problems is considered to be very important. In addition, Advisers enthusiastically take on board the ethos of a client-oriented service, so that clients choose placements which they believe to be appropriate in the long-term. However, Advisers recognise a tension between meeting the needs and wishes of clients and fulfilling their own requirements to the programme in terms of processing clients within short time periods and meeting placement targets. In particular, the inflexibility about the length of the advice giving period is felt to lead to clients entering Options before they are ready to do so. In addition, Advisers identified a group of people for whom they felt New Deal should not be compulsory.
- *“Coincidental” versus “Formal” training?* The research revealed a range of notions regarding what constitutes “training” and the purpose of “training”. Training was understood to constitute both “coincidental” on-the-job training in the form of gaining broader “work-skills” (the experience of being in work, rather than task-related work experience) and formal training leading to a qualification. For some Advisers, formal training was seen as an end in itself. For others, such training is only valuable in as much as it leads to the client finding work. In the case of clients with the most marked skills’ shortage, training towards qualifications was implied to be negligible in comparison with coincidental “work-skills” training (e.g. attendance, self-presentation, general behaviour and communication).

7.3 Systematic Review

A review of five quantitative evaluation projects reveals:

- *Client socio-economic characteristics* New Dealers are typically male (71 per cent) and white (83 per cent). One-fifth had a health problem or disability, a quarter had no qualifications, one-fifth had experienced basic skills problems since the age of 16, four-fifths had at least one known marker of disadvantage, 40 per cent suffered multiple disadvantage and two-thirds experienced problems finding or keeping a job.
- *Client satisfaction* Participants in the New Deal for Young People are typically satisfied with the Programme and the advice and support provided by Personal Advisers. Although views on the usefulness of New Deal appear to be related to whether it was perceived as improving an individual's employability. However, participants from disadvantaged groups were least likely to view New Deal as useful and more likely to say it had not improved their employability.
- *Employment outcomes* Employment is the key outcome of the Programme. Econometric modelling shows that there was an increased outflow from benefit of the target group. It is estimated that the New Deal for Young People had reduced youth long-term unemployment by 30,000 (or 40 per cent) each quarter. Furthermore, that over the period 1998-2001 the actual number leaving the programme will be an estimated 500,000.
- *Dead-weight* The estimated dead-weight for New Deal for Young People is around 50 per cent. Implying that approximately 250,000 young people will move into employment as a consequence of New Deal over the first four years. Moreover, they are confident that the New Deal for Young People has not led to substitution of non-target group members by unemployed 18-24 year olds.
- *Exclusion and poverty* It is possible that some people leaving the New Deal for Young People with destinations that are *unknown* to staff, suffer social exclusion and poverty as a result. A survey of those leaving the programme within five months between mid-December 1998 and end of January 1999 with unknown destinations, showed that 57 per cent had left because they had started work. However, one-tenth described themselves as unemployed, and were either claiming another benefit, such as Income Support (i.e. social assistance), or no benefits. The number unemployed and not claiming benefits is unknown.
- *Human capital* As might be expected there is an association between qualification levels and employment rates for those leaving the New Deal. When interviewed leavers with the highest qualifications were more than three times likely to be in paid work as those with no qualifications. As already mentioned the New Deal for Young People seeks to improve participants employability by incorporating training that leads to a recognised qualification. Nevertheless, one-quarter of those leaving within the first six months had no qualifications. In addition, there are concerns about the quality of some of the training provided on the New Deal.

- *Macroeconomic effects* The macroeconomic impact of New Deal for Young People on the economy is likely to be small (around 0.1 per cent being added to National Income). However, this is of a sufficient scale for the programme to be largely self-financing.

None of the studies reviewed includes a random assignment design. Only one study assesses the net additionality of the New Deal for Young People. This study, of necessity, also focuses on shorter-term outcomes.

Chapter 8

The implementation of programmes – comparative findings from interviews with participants and local organisers

Bruce Stafford

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Abstract

This paper outlines some of the key comparative findings from the qualitative interviews with both participants of the selected workfare programmes and those administering the schemes. It covers the content of the workfare offers (Section 8.2), perceptions of clients' rights and responsibilities (Section 8.3), how staff select and match clients to programme options (Section 8.4) and the communication of the programmes to clients (Section 8.5).

8.1 Introduction

Often there is a discrepancy between the stated intentions of a policy and how it implemented and delivered in practice. This can arise for a number of reasons. For example, aspects of a policy might deliberately not be implemented by those charged with delivery, resource constraints might limit what can be achieved, and changes in the wider macro environment can have unpredicted affects on how institutions and actors react to initiatives.

The official policies of the workfare programmes discussed at this conference are examined in *An Offer You Can't Refuse* (Lødemel and Trickey, eds., 2001) and in the other papers presented at this conference. However, the research also included a study of the actual implementation of the selected workfare policies in the six European countries. These interviews provide some evidence of how the programmes are delivered in practice.

However, those responsible for delivery and those participating in a programme can be expected to have some different views and experiences of the operation of the programmes.

Accordingly, qualitative interviews were held with scheme clients (or participants) and staff responsible for administering the programmes (or street level bureaucrats).

Research methodology

Interviewees were selected purposively to provide an overview of the experiences of users and staff. The interviews were conducted and analysed using common protocols to ensure consistency and comparability across schemes and countries. The majority of the interviews were conducted face-to-face on an individual basis, although there was use of small group interviews, a telephone interview, and the Netherlands study incorporated data from questionnaires. Almost all of the interviews were tape recorded and transcribed. The fieldwork was mainly conducted during the late 1990s.

Structure of paper

This paper outlines some of the key comparative findings from the qualitative interviews with both participants and street level bureaucrats. It covers the content of the workfare offers (Section 8.2), perceptions of clients, rights and responsibilities (Section 8.3), how staff select and match clients to programme options (Section 8.4) and the communication of the programmes to clients (Section 8.5).

8.2 The nature of the offer

Content

The programmes have multiple objectives, including helping people move into work and emphasising the responsibilities of clients. As will be apparent from earlier papers at this conference, five main types of option, or offer, can be distinguished:

- Placement in an unsubsidised job in the regular labour market;
- Placement in a subsidised job;
- Work experience or job training in the public or not-for-profit sectors;
- Training and education – this option is in addition to any training provided as part of the other options listed above. The training tends to focus on vocational topics or remedy any deficiencies with basic skills, and may lead to a formal qualification;
- Social training or social activation, which aim to improve recipients' self-confidence, motivation to work, social networks, *etc.*

By definition all workfare schemes include an element of compulsory participation by clients that is backed by some form of sanctioning. However, the degree of compulsion built into the design of the schemes varies. Some programmes are more universal (that is, compulsion applies to virtually all members of the target group (*e.g.* UK and Denmark)), and

others more selective (*e.g.* Germany, Netherlands, Norway and France). In some countries there is variation in the degree of compulsion: in Germany participation in HzA is compulsory in Leipzig, but in Hamburg and Bremen it is voluntary; and in Norway local municipalities decide whether they will require the social assistance recipients to participate in the programme.

Accessing the offer

Within any of the programmes clients access to relevant options can vary at the local level. Across the programmes, street level bureaucrats identify the following factors as influencing the availability of options:

- Variations in the availability of organisational resources and differences in the size of local authorities – *e.g.* in France the level of the insertion budget varies between councils and in Denmark smaller sized municipalities offer a narrower range of projects relative to clients' needs.
- A related point, is the variation in the level of political support for the programmes at national and local levels.
- State of the economy. For instance, in Norway staff have more and “better” training schemes to offer clients when rates of unemployment are higher, whilst in France labour shortages lead to an increase in demand for RMI recipients (including those with relatively low level qualifications).
- Participants' lack of awareness of the options. Clients generally have little knowledge about the options that are available to them. Even when, for instance, some Danish clients know that other options exist they tend not to reflect on which option might be the most suitable.

Desired outcomes

Street level bureaucrats and clients perceive desirable programme outcomes differently. Although street level bureaucrats seek to help participants move off benefits into regular employment and clients believe that the intention of the programmes is move them from benefit to regular employment, most staff acknowledge that this aim cannot be realised with all clients. In some cases they opt for moving clients closer to the labour market by reducing some of the clients' barriers to work and providing them with work experience. Where provision is more universal this can mean clients gain access to subsidised jobs despite the staffs' negative assessment of their chances of leaving the programme.

In addition, the offer of workfare can be seen by staff (especially in Norway) as a test of whether a client is able and willing to work and to gauge the problems they may encounter. The “intermediary goals” of such an approach are to emphasis to the client their responsibilities, and improve their social skills, self-esteem and efficacy. The achievement of these intermediary objectives is seen as a success in Norway, even if a participant subsequently does not find regular work. However, elsewhere street level bureaucrats are less likely to define a successful outcome in terms of achieving such intermediary goals.

Although finding a regular job is generally important to clients, they are also concerned with the extent to which a programme contributes to their current well being. Participants apply a limited set of criteria to evaluate programmes, namely, the extent to which they:

- improve future job prospects; and
- provide meaningful activity, respect and social status, an income, a daily time structure and social contacts.

For clients - unlike for staff - the latter is relatively important. In particular they do not wish to be perceived as “second rate people”¹. Indeed, this emphasis on being treated with respect seems to increase the longer participants stay in the programme and the more pessimistic they become about the prospect of finding regular employment. Clients intensely dislike programmes, and in some case dropped out, if the (offer of) workfare is:

- seen as exploitative (*i.e.* offering “meaningless”, temporary and/or low pay work);
- reduces opportunities to find “real” jobs or pursue educational and professional ambitions;
- employers do not respect them; and
- there are too few options.

Client with “good” qualifications can also argue that the programmes have little to offer them (*c.f.* Germany, Norway and UK).

Where programmes can provide placements similar to regular jobs, as in France and Germany, clients’ needs for meaningful activity and respect are more likely to be met. Elsewhere, including the Netherlands, Norway and the UK there can be client concerns that options lead to “second rate jobs” – where the work is unlike regular employment and/or the pay is less than the national minimum wage. However, and in contrast to some clients, street level bureaucrats may perceive such jobs as “stepping stones” to the regular labour market.

Tailored versus general offer

Most of the street level bureaucrats highlighted the need for decent options and the importance of tailoring an offer to the specific needs and qualifications of a client. Indeed, most of the programmes embed some sort of individual or personalised approach. For example, in France, the UK, the Netherlands, and Denmark an action plan has to be developed and agreed for each client. However, in almost every country, there is criticism from recipients about the lack of tailored options to meet individual needs. The street level bureaucrats identify a number of institutional and practical obstacles to achieving tailored options:

- Set procedures and routines and office bureaucracy;
- Pressure to cut social expenditure - In the UK, for example, there is a strong sense that the formal “aims” of New Deal have shifted since its implementation from a client-cen-

¹ From the interviews there was no evidence of stigmatisation of workfare participants.

tered approach, to a clearer focus on inserting clients into the labour market. This shift is felt to derive from pressure from above to cut expenditure;

- The set of options available - Some street level bureaucrats feel they have nothing to offer to meet clients' needs;
- Differences and competition between the aims and approaches of different agencies - In France, for example, there are differences in the professional culture of the social service staff and officials of the local Employment Agency;
- The heterogeneity of the clients' - The local authorities in charge of the RMI find it difficult to offer inclusion options which take into account the variation in the skills, aspirations and vocational experience of the participants. New Deal advisers also emphasise that they have a very broad range of clients within their caseload – from people without basic skills to (on rare occasions) university graduates.

8.3 Rights and responsibilities

All of the programmes can be seen as striving to establish and enforce rights and responsibilities for both the client and the state.

Both staff and clients have clearer conceptions about clients' responsibilities, especially about the use of compulsion, than about clients' rights. Nevertheless, some staff (notably in Denmark, Netherlands and UK) see workfare as successfully balancing rights and responsibilities. Most Dutch street level bureaucrats, for example, claim that the balance is fair, believing workfare to be equally about rights and responsibilities. Clients had the right to an offer and had an obligation to accept that offer. However, Dutch staff feel that frequently they need to emphasise clients' responsibilities rather than their rights.

Whilst French staff can perceive workfare as neither a right nor an obligation but as something in between. This is partly because of the way the French programme is designed (the client is initially entitled to a benefit, then they sign an insertion contract), but also because many staff think that the right to integration is partly illusory while there are no "real" jobs available for clients.

Some street level bureaucrats seem to doubt the fairness of the balance between opportunities and compulsion. However, they generally do not seem to question the use of compulsion, but rather argue for better opportunities, or an extension of these, to restore the balance between rights and opportunities.

In Germany the discussion of rights and responsibilities appears to be less central than in some of other countries. In areas like Leipzig, which have a high level of unemployment, the HzA is applied to all clients, whereas in other areas with lower levels of unemployment, such as Bremen and Hamburg, street level bureaucrats choose not to force social assistance recipients to participate in the programme.

Perceptions of clients' rights

Many street level bureaucrats find questions about clients' rights difficult to answer. Although some are more specific, for instance, Norwegian staff see participation as a privilege – rather than as a right – which demonstrates their respect and faith in the chosen clients. Whilst in the UK and Denmark rights are often understood as bounded by available provision and by the conditions of the labour market, that is, clients have the right to receive suitable offers given the local political and economic situation.

Almost all of the clients are vague about their rights. Indeed, in France several respondents were not, or only partially, aware of the existence and role of insertion contracts. However, like UK street level bureaucrats, some clients highlight specific rights linked to the process of delivering the programme, such as being heard, being helped, and receiving assistance to find employment, etc. Other clients are more outcome focused and consider it their right that eventually they should get a job.

In Germany most clients see participation in HzA as a right. As already mentioned, participation is only compulsory in Leipzig, accordingly those clients in Bremen and Hamburg are more likely to see participation as a right.

Many clients tend to focus on the rights they believe they should have. A common plea is that financial compensation for participation should be higher.

The lack of clarity about clients' rights makes it difficult to gauge the extent to which they are enforced.

Perceptions of clients' responsibilities and of compulsion

Generally, frontline staff are in favour of compulsion (the notable exceptions are some French and UK staff – see below). Staff can argue that:

- Participation in the various programmes is a way for clients to change their present situation and, therefore, is a way of helping them. Compulsion serves to integrate clients into the labour market, or in some cases (France, Denmark, Netherlands) into wider society by social activation or voluntary work programmes. Many street level bureaucrats perceive workfare more as a right rather than a responsibility and emphasise the opportunities provided by the offer rather than its compulsory nature. Compulsion is seen as being justified because otherwise it is believed many potential clients will not participate, and such non-participation is not in their own interests.
- Workfare limits fraudulent claiming.
- It provides a test of clients' willingness to work.
- It is only fair that clients in receipt of social assistance from the state should give something in return by participating in a workfare programme.
- Where clients are given decent options compulsion is justified.
- Improved economic conditions and job opportunities to find a job justify increased compulsion.

Generally, street level bureaucrats see compulsion as necessary elements of a programme and of their work. Many street level bureaucrats mention that clients who are initially reluctant to participate say later on that they were glad that they participated. This leads some street level bureaucrats, particularly in Norway and Denmark, to believe that workfare is a way of respecting clients, whereas previous and more passive programmes are seen as pacifying them.

Such experiences also served to validate street level bureaucrats' views on the value of compulsion. However, clients that drop out of programmes provide some "counter evidence" to this view. Not many street level bureaucrats mention drop out as a problem, and if they do they generally consider it to be minor. Two reasons for this are mentioned. First, some clients are believed to drop out because they do not really need the programme. Street level bureaucrats assume that clients who really run into problems when they are sanctioned will later on apply for social assistance, and then co-operate. Secondly, most staff rationalise dropping out as the clients' responsibility.

However, in both France and the UK some street level bureaucrats are opposed to the use of compulsion. Either because they do not believe in penalising clients who refused to participate (France), or because they believe it wrong to impose specific lifestyles on other people (UK). Staff opposition to compulsion is probably relatively contained because those vehemently anti-workfare are likely not to have been attracted to the post or will have moved to a different one.

Not surprisingly clients can be more critical of compulsion, although many are positive about participating in a workfare scheme. Clients' arguments in support of compulsion tend to reflect those of street level bureaucrats. Some clients feel it is almost a privilege to participate as they see it as a route out of unemployment. Others focus on workfare as way of minimising the fraudulent use of the benefit system or say that the schemes' compulsory nature works as a key motivational tool. Although, generally, participants do not think compulsion adds anything to their motivation to participate, and is only fair for others (whom they consider not to be motivated to obtain employment).

However, other clients are very dissatisfied with having to participate in the programmes. These clients often maintain it is unjust that the state can force them to carry out tasks they do not wish to, and they frequently fail to see any benefits accruing from participation.

Most clients' reactions appear to be pragmatic rather than based on principle. Their response reflects the quality of the workfare offer, their own circumstances and how they are informed of the compulsory component. Many clients make the same link as street level bureaucrats between the justification of compulsion and the quality of the offer. If the offer is of a high quality and believed to be beneficial to the client – or if the client likes participating – then compulsion is perceived as acceptable and is a minor part of their overall view of the scheme. If on the other hand, the offer is seen as ridiculous or, indeed, degrading then clients tend to adopt a negative attitude towards compulsion, and are more focused on the compulsory aspect of the scheme.

Nevertheless, some clients' position on compulsion is more axiomatic. Some of these clients argue that compulsion is fair because, as already mentioned, some people are tempted to misuse the system, that participation provides a way out of their present situation, or that the state should ask for something in return for social assistance. Others feel compulsion is unfair, that the state should not be able to force someone to do something against their own will and not pay "real" wages.

Enforcement of compulsion

That a programme contains a compulsory element does not mean that staff will communicate or enforce it. For example, in France many of those eligible for RMI are, in fact, not covered by an insertion contract as they should have been (see below). In the Dutch multi-agency approach compulsion is perceived differently by the agencies, whilst all options are in principle equally compulsory, the degree to which this is emphasised differs.

Moreover, across the countries there is a tendency for frontline staff to emphasise the compulsory nature of the schemes to clients who are less motivated to obtain employment, as opposed to those that are more job ready.

Selectivity does not automatically lead to less compulsion. In Norway, participants are selected to test their motivation to work, that is, selection takes place on the basis of the ‘suspicion’ of not being motivated. Here participation is compulsory although the programme itself is selective. A comparable situation occurs for young unemployed people (under 25 years of age) in France, for whom no social assistance exists. Although participation in a subsidised work programme is generally considered to be a privilege, the absence of alternatives makes it the only option.

Sanctions

All the studied programmes include some form of sanctioning in form of a reduction or a withdrawal of benefit for those clients who refuse to participate. In some programmes the reduction or withdrawal is time-limited whereas in others it lasts until the client agrees to participate. Another milder and more informal form of sanctioning found in some programmes - and in case of the Norwegian street level bureaucrats their preferred form of sanctioning - consists of repeated meetings with the client. The purpose being to change the mind of the participant. However, there are reasons why sanctions are not always imposed, and there can be considerable local and regional differences in enforcement regimes (as in France and Denmark).

The use of sanctions varies according to:

- The degree of discretion in-built to the workfare scheme and applied by staff. In Denmark, for instance, the use of sanctions depends on the political guidelines of the local authorities. Some municipalities sanction everyone who refuses to participate, in others it up to the local street level bureaucrat to judge whether benefits should be reduced or withdrawn or whether an alternative solution can be found. Whilst some authorities refuse to implement any sort of economic sanction - although staff may try to use it as a threat.
- The level of sympathy a member of staff has with a client’s situation. Staff may be concerned that a possible sanction would only make matters worse, or believe that it would make no difference.
- The staffs’ fear that a client may become violent may mean that any non-participation is overlooked.
- The amount of paperwork involved in processing a sanction can deter staff instigating sanctions.

- Whether others provide evidence of non-participation. Not all service providers (project managers or teachers) choose to report absences to officials.

Sanctioned clients invariably have a right to appeal. However, many clients are confused about their rights and do not always appear to have a full understanding of appeal procedures. In addition, they may lack the skills and energy to pursue an appeal.

8.4 Matching and selecting clients

All of the programmes involve the processes of matching and selection, either because the programmes are selective by design (*e.g.* because of a limited number of placements), or because different options exist within a more universal programme and clients have to be matched to, or selected for a suitable option. These processes determine who is included and excluded from participation in the programmes.

The context to the processes of matching and selection is provided by two administrative hierarchies, one of options (or placements) for clients and the other of types of clients.

Hierarchies of options

Workfare clients are offered an option or placement in return for their receipt of social assistance. Where more than one option is available, street level bureaucrats can rank them according to their desirability – that is, there is a hierarchy of options. Generally, clients are unaware of these hierarchies, although they sometimes do know about the existence of other options.

In practice, and sometimes also officially, options are ranked according to their “closeness to the regular labour market” - the relative chances that participation in a particular option will lead to regular employment, and/or the degree to which the option itself resembles regular work (for example, subsidised regular employment versus municipal, created work).

Unsubsidised employment is undoubtedly the “best” outcome. In addition, there is general agreement that subsidised work options - where participants do (more or less) regular work for a minimum wage, as in Germany (Hamburg, Bremen), France, the UK and the Netherlands - are the best options. However, there is less of a consensus across countries on the relative ranking of the other options. In Denmark and the Netherlands social activation - often consisting of basic skills and social training – is considered the least attractive option despite its “positive” aim of integrating people into society and/or eventually work. In the UK the Environmental Task Force, and to a lesser extent the Voluntary Service option are considered to be the least desirable options. Indeed, some street level bureaucrats use the Environmental Task Force as a threat (*e.g.* “*you’ll be digging canals*”) to force clients to make a decision about participation. This use of options seems to be comparable to the use of municipal work in Norway, where staff often “offer” this option primarily to test the work-willingness of clients. In Leipzig (Germany) subsidised work seems to be used in much the same way.

Differences also exist with regard to the schooling and training options. In the UK some street level bureaucrats see education and training as an even more desirable option than subsidised work. Others perceive it more as a “soft option”, a let-out for clients who do not want to work. Depending on the specific type of schooling or training, in Denmark and the Netherlands this option is either considered to be a full (or even better) alternative to the subsidised work option, or a “lower” option that qualifies participants for “higher” options. A short spell of, for example, job-search training or specific vocational training for some clients is considered to be the shortest route to a regular job. In other countries education or training is not a workfare option.

Hierarchies of clients

Hierarchies of clients are generally based on clients relative “closeness to the labour market”. These hierarchies seem to be commonplace, and notwithstanding policy differences, there are many similarities between countries. In the Netherlands this hierarchy is formalised, but in practice used more loosely, whereas in other countries official client hierarchies do not exist, but in practice similar hierarchies are used. Hierarchies of clients are generally related to available options: clients are categorised on the basis of their “aptitude” or “in-aptitude” for the options.

Intuition seems to play an important role in street level bureaucrats’ categorisation of clients. Street level bureaucrats seem to focus on clients’ attitudes and behaviours more strongly than may be expected on the basis of official policies, which often emphasised more objective features, such as qualifications and work experience. There are differences, however, with regard to the relative importance attached to “subjective” and “objective” factors between countries as well as between different staff and localities within countries.

The subjective factors often involve making distinctions between co-operative and uncooperative clients, between genuine clients and hard core unemployed clients, and between clients with realistic and unrealistic ambitions. In an objective sense, commonly made distinctions are between clients with adequate qualifications and those without, and those with and without relevant working experience.

In practice, clients’ close to the labour market are often defined in neutral, objective terms (qualifications and work experience), leaving subjective aspects more implicit. Whereas clients more distanced from the labour market are usually defined in terms of their subjective shortcomings (psychological or social handicaps, unstable lives, inability to deal with authority relations and so on), leaving objective aspects more implicit.

Matching and selection

The processes of selecting clients for programmes, or where more than one option exists in more universal programmes, of matching clients to options, draw upon the street level bureaucrats’ hierarchies of options and clients. Matching in most cases (with the exception of Norway) is “top-down”: the best clients are selected for the best option, the next-best clients for the next best option, and so on. Where “best” is defined in terms of closeness to the regular labour market. The “best” options aim to help participants find regular employment, and usually staff have performance or “output criteria” or targets they must attain for

job placements. Such criteria or targets are most easily realised with relatively resourceful, co-operative and motivated clients, who therefore are selected for these options. However, such creaming leaves a remainder group for the other options: social activation (Denmark, Netherlands), or the Environmental Task Force or voluntary service (UK)². In France and Germany no special policies for this “remainder-group” seem to exist. This “remainder-group” is usually defined in terms of their subjective shortcomings (in relation to the “higher” options or the perceived demands that the regular labour market makes on individuals).

In general, developments in the regular labour market determine the margins for selection of participants. In several countries, for example Norway, Denmark and the Netherlands, street level bureaucrats observe that because of favourable economic conditions and consequent labour shortages, more unemployed people have found regular employment, which has left staff with a “harder to employ” target group compared to some years ago.

8.5 Communication of programmes

Street level bureaucrats generally emphasise the need for an individual approach and for good communications with participants. They try to co-operate with their clients. Nevertheless, many street level bureaucrats find it hard to characterise their style of communication with clients. In general, staff claim to use a “repertory” of approaches. They see it as their work to find the right way to tailor the general policy to a specific client.

Nevertheless, two different styles of communication can be identified: client centred and institution centred. The former involves taking a participant’s aims and abilities as a point of departure. It focuses on clients’ skills and resources and is aimed at empowering clients. Exercising discretion, or “bending the rules”, can be considered to be a condition for this. Whilst the institution centred approach entails taking services and options offered by a (workfare) organisation as the point of departure. It focuses on clients’ problems and shortcomings, and is aimed at pointing clients the way (paternalistically) forward, usually by adhering to institutional rules. This second “style” of communication seems to be more common than the first, although many street level bureaucrats would probably not want to characterise their style of communication as institution centred. However, many staff note that because of their high workloads and the associated administrative paperwork, they often lack the time to communicate with clients in a way in which they would wish. This means that they often concentrate on meeting institutional needs (targets), place clients in options with little discussion, and have few contacts with clients once placed in an option. This is in line with the experiences of many of the interviewed clients.

Clients tend to perceive these different styles of communication differently. They seem in general to be very sensitive to whether or not they are treated respectfully and are taken seriously (see Section 8.2 above). Not surprisingly, they tend to be very positive about a client centred style of communication. They are more negative about an institution centred

² There are, of course some clients for whom these less desirable options are in fact their first preference, for instance, an ardent environmentalist might want to participate in the Environmental Task Force in the UK.

style of communication, especially when they feel staff pay insufficient attention to their wishes and aims.

However, not all of the clients' views are as clear-cut. Some clients with problematic backgrounds (such as drug or alcohol addiction) value a more paternalistic approach and the demands made on them by their street level bureaucrats. It provides them with a structure and some stability in their lives.

Also, some participants expect staff to work bureaucratically, and feel uncomfortable when asked "personal," questions. This view may result from the fact that clients are not always use to a more individualistic approach. However, in some cases it may have to do with the kind of approach adopted, one that is more focussed on problems and shortcomings than on an individual's skills and resources.

8.6 Conclusion

The qualitative interviews highlight a number of key elements of workfare programmes:

- There is variation in the content and delivery of programmes at local level.
- Clients and staff seem to prefer an individualised and client centred approach to service delivery.
- Clients' rights are often poorly articulated and understood by staff and clients.
- The quality of the offer is critical to the success of the programmes.
- To be successful offers must not undermine the self-esteem and social standing of clients.
- There is variation in the extent to which the compulsory element of programmes is communicated to clients and enforced at local level.
- Clients are not necessarily opposed to compulsion, but typically see it as a benefit to "others", they often see themselves as highly motivated and ready for employment.
- There are administrative pressures on staff to match the most job ready clients with those options (where they are available) that are closer to the labour market. This process of creaming creates a "residual" client group who may be only offered a perceived undesirable option or no option at all. Unintentionally programmes aimed at promoting social inclusion may increase the risk of social exclusion for some clients.

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Chapter 9

Workfare in Europe: Does it Work?

Summary of a Systematic Review of Effect Evaluations of Workfare Programmes in six European Countries

Espen Dahl and Lisbeth Pedersen

Acknowledgement

This paper is based on working papers produced by members of the research team. It draws upon analyses by Bernard Enjolras, Laurent Fraise, Emma Cornwell, Bruce Stafford, Heather Trickey, Jörg Lemnitzer, Henk Spies, Heidi Vannevjen and Hanne Weise. The authors gratefully recognise the intellectual and practical support from the other members of the team in preparing this paper.

9.1 Introduction

The main question raised in this part of Work Package II in the European Workfare project was a very simple one:

What do effect evaluation studies in the six countries tell us about the impact of individual workfare programmes with respect to outcome?

Our focus was on evaluations that have attempted to measure the impact of program participation on individuals' employment and earnings outcomes after they have left the program.

The programmes we were interested in have the following three distinct characteristics. They are:

- Compulsory
- Primarily about work
- Part of social assistance

A common key characteristic of these workfare programmes is that they require compulsory participation, entail strong emphasis on personal responsibility and obligation, and reinforce the principle of reciprocity. It is expected that recipients give something back to the community in exchange for aid. Compulsory means that there are sanctions attached for those who don't comply; the benefit may be reduced or cut off completely. In this way workfare policy aims to modify peoples behaviour, and not only to redistribute welfare.

In the wake of the unfolding of Workfare programmes in Europe, we have witnessed a growing demand for knowledge on how the programmes actually work and how effective they are. Our review of existing evaluations of workfare programmes was carried out to produce knowledge about the effects and consequences of the policy so that they could be better suited to pursue policy goals. We wanted to contribute – however modest – to making future social policy planning evidence based.

9.2 Methods

To address the research question, a Systematic Review of quantitative effect evaluation studies of workfare programmes was carried out in each country. We concentrated on effect evaluations that were published during the 1990s. A Systematic Review has two important characteristics:

- Comprehensiveness
- Systematic collection of data

Comprehensiveness

How do we know that we have detected all literature that is potentially relevant? The national reviewers complied with the following which provides important strategies and sources to ensure comprehensiveness: electronic search strategies, scanning reference lists, hand searching, grey literature and conference proceedings.

One pitfall, which the national reviewers were fully aware of, is that studies that show no effect tend to be under-reported, and studies that show strong effects tend to be over-reported, i.e. the same study appears in several papers and publications. Here we trusted that the national reviewers would know about important unpublished work in their own country since they all were experts in this field. Thus, we firmly believe that no major works are missing in the national reviews. It was left to the discretion of the partners in each country to decide to omit certain studies for example if they were of very poor quality.

Systematic data collection

The data in a systematic review are pieces of publications, e.g. books, research reports, conference papers, articles etc. In this review collection of information was carried out according to clear definitions and to identical criteria. For this purpose the project group developed a Check List to be filled in for each of the selected studies. The items of the Check List were discussed among the partners and a consensus was reached on the inclusion criteria. Among the items in the Check List are: Bibliographical details, purpose of the study, key findings, type of study, methods, assessment of methods, comparison group.

This approach led to the identification of about 35 studies that provide the basis for the present summary report. The number varied from 1 (Norway) to 10 (Germany). According to the partners in the project, these studies represent the best evidence that are

available on outcomes of workfare programmes in the six European countries. The Systematic Review deals with workfare programmes in France, Germany, The Netherlands, Denmark, United Kingdom and Norway. Below is a list of countries and the programmes that are being evaluated:

Denmark:	The Activation Line
France:	The Minimum Income of Insertion (RMI), Contrat Emploi Solidarité CES) and the "Emplois Jeunes"
Germany:	Help towards Work
Norway:	The Social Service Act (Local authority workfare schemes)
The Netherlands:	The Jobseekers' Employment Act for Young People (JEA)
United Kingdom:	The New Deal for Young People (NDYP) and Project Work

9.3 What does the Systematic Review show?

What outcomes are actually measured?

On the political level, the aims of the workfare programmes in Europe are multiple: to cut costs, increase self-sufficiency, reduce the case load, prevent social exclusion, enhance employment and employability, and to maintain and increase human capital. In practice two outcomes have usually been measured in the reviewed evaluation studies:

- Earnings
- Employment

Employment measures were used far more frequently than earnings measures. One should perhaps note that by this Europe differs from the USA where earnings are more frequently measured, in company with employment. Let us summarize the main findings and illustrate them with concrete examples from each country:

- 1) **Many studies in the six European countries indicate that the workfare program has a positive employment effect.** We will stress that the available evidence is suggestive rather than conclusive. Due to different methodological approaches the size of the effects are difficult to assess. The same conclusion applies to the few studies that have measured outcome as earnings. Some participants also leave for other programmes or for other sorts of public benefits. Evaluation of the *French* RMI programme shows that a number of participants do not have a contract even though it is a legal obligation. RMI recipients with a contract are younger and have a higher educational level than recipients without a contract. Having a contract increases the probability of leaving the programme, but not for work. Rather the participants tend to move on to the CES programme. Only 1 out of 4 of the recipients leaves RMI for employment. An evaluation of the *Dutch* JEA programme suggest that the net employment effect of the programme is approximately 18 percent. This number is uncertain, because it is based on the subjective statements of the likelihood that the participants would have found a job anyway. In *Germany*, however, no studies of the *Help towards Work* programmes establish a firm basis for answering the question whether program participation affect the likelihood of entering the

labour market. The only effect evaluation of the *Norwegian* compulsory schemes shows mixed results. One year after participation, there are no significant improvement neither in earnings nor in employment. Two years later, there are significant and positive effects on earnings, but still no effect on employment. It is not clear whether this somewhat puzzling result is due to measurement problems or to substantive issues. If substantive, it might mean that the effect of participation shows up after a while (two years) due for example to locking problems. The discrepancy between the earnings and employment may have different interpretations. One interpretation is that the participants work more hours per year. An alternative explanation is that the participants have obtained jobs that pay better. An advantage of this analysis is that it deals statistically with unobserved selection bias.

- 2) **Several studies point out that job training in private firms or activation similar to ordinary work is the most promising approach to increase employment.** The evidence to back up this statement is also suggestive. Nearly all evaluation studies in *Denmark* suggest that activation with a wage subsidy in a private firm, or job training in a private firm has the highest employment effects. The same applies to the Netherlands: Those with placements in private sector jobs stand a better chance of entering regular employment than those in the public sector. None of these studies deal with unobserved selection bias. The effect of the French *CES* programme have been evaluated with more sophisticated statistical methods which increase the credibility of the results. This evaluation shows that the participants have a higher probability of getting into employment the more the programmes resemble normal employment conditions.
- 3) **Some participants seem to benefit more from participation than others. Usually the young, people with higher educational levels, and those with less social problems are the most successful.** In *France* it has been shown that the probability of moving into regular employment increase with educational level and decrease with age. In *Denmark*, although most groups of activated recipients benefit, young people benefit the most in terms of employment. In addition, being activated seems to encourage younger people to take up ordinary education. In *the Netherlands*, the probability of moving into regular employment is higher for young people, non-migrants, and people with higher educational level. In *United Kingdom*, a survey among people leaving the New Deal for Young People (NDYP) within a year found that those on the highest qualification level were more than three times as likely to get into paid work as those on the lowest. But there are also examples of the opposite, i.e. that the more disadvantaged benefit the most. The *French CES* appears to be more useful for people with low skills than for those with higher skill levels. Programmes involving higher level of on the job training, such as alternative work/training programmes in private firms are most beneficial for the less educated workers while it seems to decrease the probability for more educated young workers to get into work.
- 4) **In several programmes there seems to be a “creaming” of participants: Welfare officers select participants (or participants select themselves) who are most likely to obtain regular work after leaving the program.** Thus, it is likely that a number of these participants might have found a regular job on their own, *without* the effort of public

agencies. This so called creaming effect, or “dead weight” problem is evident in programmes in *Germany, the Netherlands, and the UK*. In the *UK*, estimates of the size of dead weight in the NDYP suggest that it might be 50 per cent. In the Netherlands, a study suggests that 27 per cent of those who move into the labour market might have succeeded without public aid. This is hardly a the most reasonable allocation of scarce public resources. But again, there are exceptions: In *Norway*, the workfare schemes seem to attract people who have less resources and who experience more problems in the labour market than ordinary beneficiaries.

- 5) **A majority of the participants articulate satisfaction with the programmes.** Participants often report that the programmes give rise to increased self-esteem and that they improve their employability and educational potential. Almost all participants in the *Danish* studies that address this particular question, report that they gained self-confidence, increased their skills, or increased their job-, and education opportunities. In *Germany* there is evidence that participation entails higher well-being and more frequent contact with other people. Participants in NDYP in the *UK* are typically satisfied with the programme and the advise and support services they receive from the personal advisers. This is of course a good thing, but policy makers should be aware that this might carry the risk that “workfare” dependency may replace the much more feared “welfare” dependency in the long run: If people find it too comfortable and convenient to stay in a workfare scheme, entry into the ordinary labour market it will be discouraged. Still though, significant numbers of participants in some programmes feel that the activities are boring and a waste of time. The participants’ satisfaction with the *Dutch* programme is generally quite low. They often complain that the work is boring, and that they do not do anything sensible. There are also indications that the programmes have effects that are detrimental for some of the most vulnerable participants: In the *Netherlands*, some drop outs from the programme resort to criminal activity in order to make a living. In the *UK*, participants who perceived that the programme improved their employability expressed a positive attitude. However, young people from disadvantaged groups were less likely to view the New Deal as useful and more likely to say that it had not been of much help. It is noteworthy that the most disadvantaged people benefit less and tend to be most dissatisfied with the programmes, and that some participants, namely in *the Netherlands* – are worse off after the programme than before.

9.4 Discussion and assessment of the evidence

Methodological considerations

The Englishmen say that the proof of the pudding is the eating. So what does the European workfare pudding taste like? It can hardly be stressed strong enough that the outcome findings referred to in terms of employment and earnings in most of the studies conducted in Europe are highly questionable due their design and use of statistical methods. Generally, the results are suggestive rather than conclusive. Still it is the best evidence we have in Europe. This weak evidence base is indeed notable when compared with the USA where

numerous large-scale randomised controlled trials on different sites have been conducted (Orr et al. 1996).

Most of the studies in our Systematic Review are not well suited to answer the 10 000 dollar question: Are the participants in the workfare programmes better off than they would have been without it? Thus, with a few exceptions, the reviewed studies do not provide solid evidence for drawing firm conclusions with regard to the effects of the programmes.

However, many evaluations provide adequate answers to the question: How many, and who are most likely to enter employment after leaving the program? It should be made clear that the answer to this question reveals nothing about how these people would have fared if they hadn't participated in the program. Thus, they tell nothing about the effects of the programs.

Let us clarify what an effect evaluation should consider to produce reliable evidence on the effects of a specific program. Any effect evaluation has to deal with the potential "contaminating" effects of:

- History
- Maturation
- Selection

History refers to external factors, like labour market conditions, that might influence the participants' outcomes. Maturation alludes to the fact that people grow older as time elapses and thus may change in ways that may affect the outcome of program participation. Selection may occur in situations in which there is a study group and a comparison group i.e. a quasi experimental design. When people are not randomly assigned to a study and a control group, they might differ in a number of various ways. We have already seen that in several programs, "creaming" is taking place, meaning that the groups do differ in a way that is highly likely to affect the outcome. Some of these characteristics may be observed, such as age, sex and education. Others, such as motivation, self-efficacy, stamina and self-esteem, are usually unobserved.

Only designs involving random assignment, i.e. randomised controlled trials (RCT) handle all three problems fairly well. Still, at least three important problems are present in RCT in this field First, *randomisation bias* is said to occur when the program group is not representative of the usual participants. The knowledge that an experiment is being conducted may affect people's decisions to participate. The results may thus not be generalized to the people who usually participate in the program. Further, participants who become aware that they are being observed may change their behaviour. This is known as the Hawthorne effect. Second, there is a problem known as *displacement bias*. This implies that participants in a programme may obtain work on the expense of the members of the control group, for example in a small local labour market. Thus, both groups will be affected by the experiment. Third, RCT may entail *substitution bias*. This means that a proportion of controls receives services that are comparable with those received by the program group (Björklund and Regnér 1996, Heckman and Smith 1996).

Designs involving non-random assignment, but which include a comparison group, are able to handle the influences of history and maturation, but struggle with dealing with selection, especially unobserved selection bias (Campbell and Stanley 1966).

Designs without a comparison or control group do not have any counterfactual situation to compare with, and are unable to deal with the two other problems. For these three reasons their findings will be unreliable.

None of the reviewed studies applies random assignment. In fact, most of the studies do not involve a comparison group at all. This means that in most cases, we are not in the position to compare with a counterfactual situation. Moreover, it is impossible to assess if the outcome of the programme can be ascribed to the program itself, or to history or to maturation. This is the main reason why the outcome findings are highly unreliable, and that they do not justify any firm answer to the question: Does workfare have the intended effect? The major part of the existing evidence does not allow it.

Some studies make use of comparison groups. In the *UK*, a couple of studies have formed a comparison group out of social assistance recipients residing in different geographical areas. Inevitably, this design faces both history and selection problems. The UK researchers addressed the history problem by attempting to control for differences between the comparison and the study areas in the analysis. They also dropped a couple of the comparison areas from the analysis. Although areas may be matched at the beginning of the observation period, they may not by its end. This illustrates that finding a suitable set of matched areas can be problematic. Moreover, one can only match on the observed variables. The problem of unobserved selection bias remains. In some of the *Danish* studies attempts have been made to adjust statistically for unobserved selection bias, but as the national reviewers point out, these analyses are misspecified.

A few studies in *Denmark, France and the Netherlands* form comparison groups out of participants in the programmes who receive different kinds of services. The most prominent example is the distinction between participants who perform work related activity in the private and the public sector, respectively. This design takes care of the maturation and the history issue. However, with few exceptions, these studies have not dealt adequately with the selection issue. Thus, we cannot be certain that participants in the two variants of the programme are equal with respect to by both observed and unobserved characteristics.

Only *two studies*, one in France and one in Norway, include comparison groups, and in addition tackle the selection problem by applying appropriate statistical models. Possible influences from both observed and unobserved selection bias are dealt with, but beyond this, the two studies are very different.

The bottom line of this discussion is that due to lack of appropriate designs or inadequate statistical methods, the results we have presented regarding effects are quite uncertain.

In the course of our European review, we have discovered a number of interesting issues that are not addressed or only very cursory touched upon. Among these, the following five are the most pertinent:

- What are the programme effects on earnings and poverty?
- Do effects of programmes with strong compulsory elements differ from those that have less?
- Most evaluation studies focus on short term effects of workfare participation; what are the long term effects of participation on subsequent employment and earnings?

- What are the effects of “work first” (LMA) programmes as compared with human resource development (HRD) programmes in the short, and in the long run?
- What are the unintended and undesired effects for particular subgroups, especially among those who drop out of the programme?

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Chapter 10

Recommendations for programme development and for research

Ivar Lødemel with Laurant Fraisse, Wolfgang Voges, Henk Spies, Bruce Stafford, Heather Trickey, Espen Dahl and Lisbet Pedersen

10.1 Introduction

Each of the three elements outlined in the definition of workfare used here (see Chapter 1) conditions the way social assistance is delivered. Used in combination, the introduction of work and compulsion tied to the receipt of aid represents a fundamental change in the balance between rights and obligations in the provision of assistance.

It could be argued that to maintain a balance of rights and responsibilities a “right to work” should be introduced alongside a requirement to work in return for benefit. Alternatively, one could argue that the balance of rights and responsibilities could involve participants having a right to participate in effective programmes to improve their chances of finding work. In some programmes (Danish “Activation” and, in theory, through French Revenue Minimum d’Insertion [RMI] contracts) obligation to participate is explicitly matched with (universal) entitlement to be provided for within the programme. However, guarantees with regard to the “quality” of the programmes are not made.

Although workfare programmes impact on the balance of individual rights and responsibilities, introducing a workfare programme need not necessarily reduce either the quantity or the quality of assistance provided. A programme can either be seen as an extension of opportunities to improve labour market integration chances – *giving more* – or as a means of curtailing existing rights – *giving less*. In the latter case the programme may potentially result in long-term losses for the client, in the form of a negligible or even negative impact on the chances of finding work, as well as short-term losses in the form of curtailed freedom. Clearly, the solution to the more/less equation will depend on the characteristics of pre-existing provision arrangements (including the extensiveness of opportunities to participate in voluntary programmes) as well as on the characteristics of the new compulsory programme.

It also depends on recipients’ own interpretation of what constitutes “more”. There is no single measure to determine whether a programme gives individual clients “less” or “more”, but factors might include increased feelings of well-being, finding (sustainable) work, and increased income, among other outcomes. From the point of view of policy makers these outcomes are likely to only partially represent the aims of the programme. Some policy objectives, for example, a reduction in case loads or a cut in social assistance expenditure, are usually only coincidental to, and may even be in conflict with, the interests of individual participants as they themselves understand them.

This chapter presents recommendations for changing national workfare programmes in a direction that may give participants *more* than income maintenance can provide alone.

In the second part, the national policy recommendations are presented in full. These are prepared by the authors of the national Executive Summaries presented in chapters two to seven. In the third part, recommendations which relate to all programmes considered here are summarized. This part draws, in addition to the national Executive Summaries, on chapters nine and ten in our shared volume “An Offer You can’t Refuse. Workfare in International Perspective” (Lødemel and Trickey, editors, 2001). The fourth part presents recommendations for the development of research into the effect and quality of programmes.

10.2 Recommendation for the future development of national programmes

France

The findings of the systematic review and the qualitative study are at variance with the diagnosis on the basis of which workfare policies are introduced, i.e. with the idea that the inherited post-war social welfare systems encourage a “dependency culture” amongst the most disadvantaged and discourage a return to work. Welfare-to-work type attitudes regard the beneficiaries of basic welfare benefits as the people primarily responsible for the situation in which they find themselves, whereas empirical reality shows that they are first and foremost the victims of changes in the labour market. With this in mind, several recommendations can be made:

To maintain a multidimensional approach to social integration not restricted to access to work

Obtaining a job is a central factor in socialization and social recognition, but it is not the only one. The emergence of the problem of poor workers on the political agenda is a clear indication that reintegration into the labour market is no guarantee of getting out of poverty. Social exclusion is also concomitant with the development of insecure jobs. As far as the European Union is concerned, there is not necessarily a correlation between unemployment rates and poverty rates, as is shown by the examples of Portugal and the United Kingdom. Faced with a conception of workfare that reduces the fulfilment of social obligations to the obligation to work, it is important to reaffirm, in the spirit of the RMI Act, that integration programmes must attack all the causes of social exclusion (inadequacy of material resources, family break-ups, geographical isolation, lack of accommodation, physical or psychological handicap and racial or sexual discrimination) and not just access to the labour market.

To affirm the right to an income as a constituent dimension of European citizenship

Providing access to a minimum of material resources is the condition for genuine citizenship and a decent life. The idea that society has a debt towards the poor, the basis of the notion of solidarity, is a symbolic recognition of belonging to society. *A first step in this direction would be the integration of the right to a minimum income in the European Charter of*

Fundamental Rights, which at present contains only the right to social welfare (article 34). The logic of solidarity must take precedence over a contractualist logic in which rights and duties may at any moment be the subject of bargaining and legal proceedings not readily compatible with the need for protection and security required for a long term social integration of the most disadvantaged. It should be recalled that with the principle of social security and solidarity that prevailed at the start of the 20th century, it was less a matter of knowing whether it was the employer or the employee who was responsible for unemployment and poverty than of collectively taking responsibility for the risk and of providing oneself with the means to find solutions.

To complement the right to a minimum income with a right to integration rather than with an obligation to work. To ensure a proper balance between rights and duties

The provision of minimum resources is insufficient to protect against the risk of social exclusion and to open up the possibility of genuine occupational reintegration. Personalized support for return to work and social reintegration is required¹. Such support must not, however, be regarded as in compensation for the allocation of basic welfare benefits, but as an additional element essential to social reintegration. Too often projects to improve follow up and support measures for return to work are accompanied by reinforcement of the penalty mechanisms relating to the welfare beneficiaries. Prioritizing the right to integration rather than the duty to work is also a way of counterbalancing the discourse about the “employability” deficit in order to emphasize the responsibilities and shortcomings of the private or public employers in terms of recruitment, training and job creation for the integration of unqualified young people and unemployed people over 50 years of age.

To use negotiation including collective negotiation rather than obligation, and free determination rather than suspicion

Workfare logic emphasizes and reinforces obligations and what is required in return for being entitled to welfare benefits. Although threats of penalty do have some effect in certain cases, integration programmes are completely successful only if they are based on voluntary participation. There is genuine motivation only if the individual has a real possibility of choosing between integration programmes and other activities. In this sense, it is important to leave as much room as possible for individual and collective negotiation, taking into account the qualifications and aspirations of the unemployed, together with freedom of choice with regard to vocational guidance.

To improve the quality of the integration offer, offering a choice and a real prospect of reintegration.

Is it legitimate to impose on individuals an obligation to work at the cost of alienating part of their freedom if society can offer only temporary and insecure jobs with no real prospect of lasting integration into the labour market? A number of integration programmes have sometimes institutionalized a second labour market rather than creating real gateways to permanent employment. Moreover, better follow up and individualized support implies

¹ It should be noted that article 29 of the European Charter of Fundamental Rights talks of the right of access to a free placement service.

investment and a change in the practices of the employment services and social services, which at times have neither the necessary resources nor the necessary skills.

Germany

Recommendations to change the program

1. The contract option of the HTW programme is the most successful step for replacement in labor market. Due to this it should be place in the focus of the administrative support for all clients. To use it only as possibility to bring clients from the payroll of the communities on the federal unemployment benefits is counterproductive. Especially for young unemployed it is a real chance to gain work experiences in a kind of “normal” employment.
2. The small time budget of the street level bureaucrats reduces administrative support on “making things workable”. There is a large necessity for a personal an individual service for the disintegrated long term unemployed clients. Administrative support could no longer reduce only on job replacement.
3. The administration applies the HTW scheme as a hierarchy of options for integration in the first labor market. To use the lowest level as an instrument to sanction client discredits the whole HTW program. With the continuation of this practice, the rehabilitation aspect get lost. The special created work opportunities should be used as opportunity to assess the skills and capabilities of unqualified clients.
4. Due to the high costs of training, parts of the HTW programs are mainly applied to further cost reduction (by discouraging claimants). Instead of this counterproductive practice it is necessary to qualify the unqualified at least on a low level. Otherwise the HTW program will initialize only a revolving door effect. After having finished the program low qualified persons will return to dependency on minimum income support.

Recommendations to change the research

1. With the actual practice of monitoring the HTW programs it is nearly impossible to compare program effects within and between different types of clients or the local communities. Due to this a standardized monitoring system should be developed and as part of SAA implemented. This means that also characteristics of the HTW job offers and its administrative use for group of clients has be brought in comparable form. Results of this monitoring should be published annually analog the statistics on social assistance reciprocity.
2. Existing studies on effectiveness and efficiency HTW programs have methodical bias. This bias is an outcome that no analysis of the program effect is carried out under status quo conditions. The findings of the empirical investigations therefore are on an extremely unsatisfactory methodical basis. A research attempt which contains control group should be used in near future. Subtly differentiated comparisons then would be possible between the different local HTW programs. In addition, the coherence could be made by outcome of programs and the lay out of the measures. The effects of the HTW programs can therefore be determined objectively only with the status quo analysis.

The Netherlands

Considerations on the use of compulsion

Three considerations seem to be relevant in relation to the use of compulsion in social policy. Firstly, compulsion can be considered as duty and obligations, or alternatively, as responsibility. Giddens (1994) has argued that duty and obligations lose their power to tie a community together, and should be replaced by responsibility. "As compared to duty, responsibility implies the spelling out of reasons, not blind allegiance. (...) Commitments freely undertaken often have greater binding force than those which are simply traditionally given." In social policies, sanctions should not substitute for this spelling out of reasons. The use of compulsion calls for more communication with clients rather than less, and should be conceived of as a "pedagogical tool" rather than as punishment and discipline.

Secondly, compulsion has to be tied to adequate offers to be effective. This can only be guaranteed if clients' ambitions, motives, capabilities and backgrounds are taken as a point of departure. Otherwise policies will continue to have a trial-and-error character, with clients facing the consequences of the errors. A client centred "bottom up" approach implies open-ended policies with regard to the nature of trajectories rather than a limited number of pre-conceived options. Limited practical experiences that have been gathered with such an approach in preparatory trajectories for participants most distanced from the labour market, suggest that it is not only a possible, but also an effective way of realising social integration.

Thirdly, social integration should not be conceived exclusively as meaning integration into paid work. Whereas some jobs may contribute to social integration, other jobs such as "second-rate" workfare jobs may not, as they do not by definition provide respect, meaningful activity and social contacts. Activities outside the realm of paid work may also contribute to social integration. In the long term paid work may very well lose its binding social force as a result of transformations of work. In the medium-short term economic growth and job growth may very well slow down, diminishing the possibilities to integrate everyone into paid work. It therefore seems sensible to explore and develop other possibilities for social integration, for example in the field of voluntary work.

Recommendations for the future of the Jobseekers Employment Act

- The hierarchical and technological logic in the design of the JEA policy, most notably in the distinction of four categories of unemployed people, and the aim to move people up through these phases (and eventually into paid work), is not convincingly empirically validated. There is a considerable outflow into regular employment from participants in preparatory trajectories, that were considered not yet ready for even subsidised employment. This relative success is probably due to the case-work approach used in these preparatory trajectories. This approach should be extended to other groups participating in JEA trajectories.
- The JEA allows for more flexibility than preceding policies, which is beneficial for a case-work approach. However, (local) policy-makers and administrators in general do not seem to use this increased leeway for providing case-work. Instead they continue a more bureaucratic practice of policy delivery. They should be stimulated to experiment with a more client-centred approach, by providing training and leeway for experimentation.

- Compulsion can contribute to motivating clients to (continue to) participate only if it is accompanied by an offer that is tailored to clients' ambitions, motives, capabilities and backgrounds. It should not be used to meet institutional needs (the need to "score"), but to as a "pedagogical tool". This calls for more communication with clients instead of less, and the spelling out of reasons on an individual level rather than setting in motion an impersonal, bureaucratic sanctioning procedure.
- Subsidised jobs can only provide participants with opportunities to gain relevant and meaningful working experience if these jobs are not at the same time required to be superfluous. This means that subsidised jobs to a degree have to substitute for regular work. In this case it is very important that sufficient coaching is provided to ensure that participation in these jobs is limited in time. Coaching and guidance should be intensified rather than diminished after placement in a subsidised job has been realised.
- The extension of a compulsory approach in the JEA to other groups of (older) unemployed people should be preceded by the extension of a client-centred case-work approach.
- Social integration should be the final aim of the policy. Although paid work can generally be considered to be the best way to social integration, this is not always the case. Some jobs, although providing income, do not automatically contribute to social integration by providing respect, meaningful activity and social contacts. In addition, as a result of declining economic growth and job creation, not enough jobs may be available to make paid work the only route to social integration. Therefore other possibilities for social integration, such as through voluntary work, should be further explored and developed.

Norway

The introduction of workfare was justified by a need to rebalance the rights and responsibilities of recipients. In order to achieve this it is, first, necessary that social workers inform clients of the discretion they employ in selecting participants, and that they use the condition in all placements rather than a last resort measure to compel the unwilling. Second, because workfare is a curtailment of rights, it is necessary that the local authority must satisfy that they provide a programme of acceptable quality and designed to further the objective of integration.

Better tailoring In order to improve compliance with national objectives, programmes must be better tailored to individual needs by providing more options and a stronger element of training.

Different employers The typical projects can be described as created work within the municipality. In order to avoid the possibility of exploitation and displacement, and to strengthen the chances for success, it is necessary that work in the private sector is extended. For people with greater barriers to work, work for voluntary organisations should complement publicly created work to a greater extent than we find today.

Clarity in selection Local authorities must be clearer about selection criteria and adjust these in accordance with the aims of programmes.

Improve co-operation The required cooperation between social services and labour market authorities must be strengthened. In this way it is possible to reduce the present social division of activation and to make better use of the combined resources of these two agencies.

Attempts to improve the functioning of workfare have been made by central government agencies since its inception in 1991. These include several circulars and financial support to (13) local projects designed to improve on shortcomings identified in present system. While these initiatives have resulted in some improvements, there are, however, obstacles which may require wider administrative and legislative changes in order to develop programmes in accordance with the shared aims of the governments which have been in power since its inception.

Mutuality in obligation The requirement to work is in itself a curtailment of the client's rights. This curtailment is magnified if the programme is not tailored and resourced in a way that improves the individual participant's chances to move closer to the labour market. While the local authorities are provided with wide discretionary powers in determining whether or not a client is obliged to work, the legislation does not match this with equally strong obligations regarding the quality of the service.

From condition to programme One possible way to avoid this imbalance is to change the legislative basis for workfare from a condition to a form of help (as in the other countries considered here). (Evidence concerning other forms of aid, for example financial assistance, suggest however, that this is not sufficient to contain great differences in local levels of benefits).

Wider aims Today the aims underlying the condition to work is restricted to work integration and correction. The multiple barriers to work and complexity of social problems experienced by the majority of participants today suggests that aims such as improved functioning must find their place alongside work, and that this is reflected in the future tailoring of programmes.

Unification rather than co-ordination The limited success of several attempts to improve co-ordination between social services and labour market authorities in implementation may suggest that more drastic measures are required to achieve greater integration (as seen in for example Denmark, the Netherlands and in the UK). In order to achieve this, a state rather than local responsibility for benefits as well as programmes may prove necessary.

Evidence based policy making The initial introduction of workfare was based on a belief in its usefulness in pursuing work integration. Later support for the policy has been made with reference to anecdotal evidence of effect based on the experience of one local authority. Future policy changes should be informed by results from solid effect evaluations. Evidence based policy making can be enhanced by allowing for randomised controlled trials. A random selection of participants is neither less ethical nor less likely to yield good results than the discretionary practice documented in this project.

The United Kingdom

Key recommendations based on the UK study are as follows:

- A key aspect of the UK's welfare reforms is an emphasis on the rights and responsibilities of individuals and the state. However, clients are largely unaware of their rights, as

opposed to their responsibilities. Accordingly, clients should be informed more clearly of their rights, notably of appeal procedures. Whether the state should pay compensation for failing to fulfil its obligations should also be clarified.

- Central to the effectiveness of the programme is the caseworker approach embodied in the use of Personal Advisers. This approach ought to be retained in any future development of the policy. Moreover, Personal Advisers need to be trained and encouraged to engage those most likely to rebel and drop out of the New Deal. This may mean that the organisations delivering the Gateway will have to become even more proactive, for instance, in how the programme tackles rough sleepers (the homeless).
- There is an inherent tension between providing a personalised, individual service and meeting set targets for job placements. There is a risk that meeting targets results in some young people being placed in an Option too early or the “wrong” Option, and this will undermine the objective of the programme to help young people find sustainable employment. Immediate targets needed in order to record the progression of clients who are “hard to serve” as they move towards the labour market.
- To the extent that there is a “hierarchy of Options” (some Options are seen as better than others) then there is a risk of re-creating the “poor” quality image of previous schemes. Measures need to be taken (such as, publicity and possibly financial incentives) that enhance the status of Voluntary Work and Environmental Task Force Options within the programme.
- Of necessity the evaluations have focused on short-term outcomes. However, there is a case for longer-term outcomes of the research to be assessed. Although, as a national programme, there can be no counterfactual to measure the longer-term impacts of the programme – unless estimation techniques are deployed. Further investigation of the duration of employment spells and the factors associated with job retention is warranted.
- Random assignment was not used to assess the impact of the Programme. The impact evaluation to some extent demonstrates the difficulties that can be encountered in obtaining matched labour markets when undertaking an area comparison. Not only might it be difficult to obtain an initial match on key labour market characteristics but over the course of the evaluation period the pilot and control areas may diverge, with different labour market trajectories. Matching the samples for the action and comparison areas might be a method for improving the estimates of net impact where random assignment is not used.
- The evaluations focus on employment, or more specifically, movements off benefit as the key outcome variable. Arguably, other outcome variables, notably effects on earnings and self-confidence/self-esteem, should be given higher priority.

10.3 Different systems, shared problems

The recommendations compiled in the section above are written by partners in the project. We were not provided with a set of issues to address. Although the group of researchers has developed a similar focus in the course of the project, it is still interesting to see how the recommendations highlight many shared problems. This similarity arises in spite of the differences in the design and implementation of the various national programmes. In our view, this must be understood in light of the combination of compulsion, the focus on work and the fact that these programmes are targeted at recipients of social assistance. We can distinguish five issues which were addressed by all of the contributors.

Quality of offer

Each of the research partners expressed the need to improve the quality of programmes by providing individually tailored options with a stronger element of human resource development (HRD). It was argued that only high quality programmes could offer a counter-balance to the curtailment of rights embodied in compulsory participation.

Options or hierarchies While the need for more and better options was particularly strongly felt in programmes with an emphasis on labour market attachment (LMA) and where few options existed (Norway in particular), evidence from the other nations shows that options may not be a sufficient sign of improved quality. The “social division of activation” between ALMP and workfare in Norway, may have been re-invented *within workfare* in the more developed programmes. In Denmark, the Netherlands and the UK, options often functioned more as a hierarchy of placement rather than as a “career path”, where each is a step closer to the labour market.

Right to activation

With the exception of Denmark, where activation is universally applied, the individual obligation to work is not matched with a state commitment to offer all able-bodied recipients a place in a programme. In particular in the selective programmes of Germany and Norway, the lack of such a right compounds the compulsory nature of workfare. There is no guarantee that participants are selected on the basis of need rather than for example the desire to use workfare as a diversionary tool. As stated in the French recommendations this right must extend beyond a counterbalance to the right to maintenance. With improved programmes it has the potential of becoming a new right to social integration.

Improved communication and case work

With the exception of the UK, where case work has been separated from income maintenance, the introduction of workfare changes (rather than introduces) the communication between social workers and recipients of social assistance. The review of findings from interviews with participants found that the majority asked for improved opportunities to communicate with their social workers when they were participating in programmes. With a universal right to workfare and several options (of good quality) available, the unequal power balance inherent in workfare may be shifted in favour of the client. As a result communication

between SLB's and their clients may improve and the recommended shift from compulsion to negotiation and cooperation may be achieved.

Other outcomes than paid work only

The introduction of workfare was everywhere motivated by a desire to further the labour market integration of people who failed to (re)enter the labour market. As workfare now expands to include wider target populations in all six countries, compulsory programmes are increasingly used to target recipients who have greater and greater barriers to work. In this situation, regular work may be a distant prospect or even an impossible aim for many recipients. It is therefore necessary to secure the right to activation also for these groups (as seen in Denmark) and to tailor the programmes to further the social integration of excluded people.

10.4 Recommendations for research

There are two kinds of recommendations for research that can be read out of the experiences made and evidence produced in the course of this project. First, three recommendations concerning the quality of effect evaluations are based on the systematic review of existing studies in the six nations. Second, problems and shortcomings identified in present day programmes has resulted in a number of recommendation for changes to the systems. On the basis of these recommendations we will add three suggestions for how the emphasis as well as the methods applied in research can be changed and extended.

Suggestions for improved evaluations of the effects of programmes

Randomised control trials In order to produce more robust evidence on the outcome of workfare programmes, randomised controlled trials (RCT) should be encouraged. One of the one major objections to the application of this evaluation design in Europe is based on the ethical argument that it is not right to exclude welfare recipients from the potential benefits of the programme. Two counterarguments should be considered more seriously in this respect: First, no one can say for sure that all do benefit from participation in the programmes. Thus, to exclude some from the programme does not inevitably entail less social integration or social well-being. Second, in most countries, large proportions of the target group are not offered these programmes today. Therefore, even if they are likely to gain from participation, many are excluded at the outset. At the current level of knowledge, it is questionable that it is more unethical to exclude people on the basis of random assignment than on professional discretion.

The need for sophisticated methods To improve the knowledge base on workfare in Europe today, one should begin using more sophisticated methods developed in econometrics to model selection bias in quasi experimental designs, i.e. designs involving non-random assignment. Matching and other statistical methods should also be more frequently used to control for observed selection bias. Compared with the current situation this would definitely be a scientific progress in most of the six European countries in the our study.

Design of programmes and selection of participants We need evaluation designs that allow us to study the merits mandatory versus voluntary participation. Further, we also need to know more about whether work first or human capital development approaches – or combinations – are the most promising in the long run. In several programmes today there are clear indications of creaming which leads to inefficient allocation of public resources. We need to know more about what groups are responsive to what kind of stimuli. What is the optimal match between the characteristics of the participants and the characteristics of the programme? Ideally, a programme should be offered to those who are likely to benefit from that specific programme, and who are unable to make the transition to work on their own. This problem is paralleled by the findings that the truly disadvantaged seem unable to utilise what some of the current programmes offer, and that they express a high degree distress about it. We need to focus on what happens to the drop outs. As Lord Maynard Keynes once said: “The real test of any civilisation lies in its treatment of the poor”. Here we face the most vulnerable among the poor.

Additional measures of outcome Traditional effect evaluations tend to focus on easily measurable outcomes, most frequently transitions to work. Because programmes are expanding and target people with greater and greater barriers to work, work is not always a realistic outcome, at least in a short perspective. We have therefore argued that more attention needs to be given to outcomes such as social participation in important arenas of contact, improvement in self-esteem, a more structured life and reduced use of drugs and alcohol.

Qualitative studies. If these wider aspects of social exclusion and inclusion is to be reflected in research, we need to apply qualitative research in addition to quantitative studies. It is also important to note that qualitative methods offer advantages in comparative research, as they allow the researcher to better understand local phenomena within their societal context (and to reconcile complexity and detail) (Mangen 1999). For national policy makers to gain a better understanding, one should not focus on one or the other method. The New Deal programme in the UK is an example of a useful mix of evaluation methods.

Drop outs With the exception of the Netherlands, studies of the potential further exclusion resulting from “drop out” has not been given particular attention in the national evaluations.

Workfare in Six European Nations



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