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Social Work in the Workfare Regime: A Comparison of the U.S. and Australia

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Australia and the U.S. are both liberal welfare states. During the past quarter century, they have begun the transition from a welfare to a workfare state, albeit at different rates and through different paths. Social work developed in each country in ways congruent with the local liberal welfare state, and as such, has been destabilized by the transition to the workfare regime. Drawing on neo-institutional theory and extant empirical research in other professionalized fields, the paper suggests that this transition can be understood as an aspect of institutional change. By comparing the developments in two similar, yet different nations, this analytical framework provides fresh insights into the nature, motives, and consequences of the transition and its impact on social work. Further, by adopting the comparative approach, the paper demonstrates that the theoretical framework used has utility beyond specific nation state boundaries to understand developments in social work more broadly.

Keywords: workfare state, Australia, U.S., liberal welfare state, activation, neo-liberalism
Esping-Anderson (1990) characterized the United States and Australia as liberal welfare states, with the emphasis on liberal. As such, each was committed to the freedom of its citizens who, as rational actors, sought to advance their own well-being within an institutional framework which supported and promoted those aspirations. The liberal states were committed economically to the extension and promotion of market forces in society. Politically, they were committed to a constitutional state with limited powers of intervention in the economy and society and an associated commitment to maximizing the formal freedom of legally recognized actors. Both provided broadly similar but, as we shall demonstrate, somewhat different contexts for the development of welfare and the practice of modern social work.

The contemporary neo-liberal workfare regime, currently evident in both countries (but again, with a different degree of emphasis) is both a continuance and more importantly, an intensification of liberalism. This new mode of liberalism is a form of what Beck (2000) calls “high politics,” in that it presents itself as entirely non-political, having attained hegemonic stature in public debates and the popular imagination which weakens awareness of it as a set of political ideas for which there are credible alternatives. For social theorists such as Bourdieu and Wacquant (2001), neo-liberalism is the new planetary vulgate for the contemporary era, its ideas crisscrossing the globe like transcontinental traffic. And, as Beck (2000) noted, it is a thought virus, virulently contagious in the liberal welfare states, but nevertheless quite infectious in the others. This new form of welfare, or more accurately, workfare regime (Jessop, 1999) promotes the development of a qualitatively different institutional context of welfare. In turn, this transformation of the institutional context has profound implications for the substance and goals of social policies and for the practice of social work. It is this shift and its implications for social work which forms the substance of our deliberations.

Our argument proceeds in the following manner: First, we describe the modern welfare states of both countries and the more recent developments which have transformed them.
Second, we discuss the role and position of social work within each country in terms of both the welfare and the workfare state. Third, we draw on a body of sociological theory (neo-institutional theory) which provides an analytical template for thinking about the likely consequences of the neo-liberal workfare regime. We review two empirical studies of institutional change in cognate areas, drawing out the implications for social work. Our conclusion, presented as a proposition calling for scrutiny, is that engagement by social workers in the institutional contexts of neo-liberalism has the capacity to transform it in significant ways. It is a conclusion, we suggest, which commands consideration by the profession globally.

From Welfare States to Workfare Regimes

The notion of the neo-liberal workfare regime as a successor to the (Keynesian) welfare state has been firmly established theoretically in the genre of post-Fordist political economy (Jessop, 1999). That body of work acknowledges the role played by social, political and cultural institutions in attempts to regulate the instabilities of advanced economies (Peck & Tickell, 2004). Post-Fordists particularly stress the role of the institution of welfare, recognizing that patterns of accumulation and growth in advanced economies are secured as much by social regulation as by economic regulation. More recently, post-Fordists argue that the Keynesian-inspired welfare state has been supplanted by a new institutional form—the workfare regime—as a result of which the definitions of welfare have changed, the institutions and institutional arrangements responsible for its delivery have changed, and the practices in and through which welfare is delivered have changed. Policy scholars increasingly accept this premise (Gilbert, 2002). Contemporary social policy is now focused on transforming the “identities, interests, capacities, rights and responsibilities” of its citizens so that they may become active agents in the pursuit of a competitive edge in a global economy (Jessop, 1999, p. 353). It is for this reason that welfare reform policies globally have manifested in the subordination of the once more or less dominant objective of social protection to that of activation. In both Australia and the
U.S., for example, the coalition of interests that underpinned the Keynesian welfare state with its commitments to social protection has fragmented, and demands for a more differentiated form of economic and social policy have emerged (Blau, 2007; Ziguras, Dufty & Considine, 2003).

Unlike its predecessor, which emphasized a “maintenance” function, the workfare regime is geared to promote permanent innovation and flexibility in an open economy. It has abandoned full employment for full employability as it seeks to promote structural and systemic competitiveness. Welfare services, once delivered as part of a parcel of citizenship rights, however limited in the U.S. and Australia, are now pulled apart and bundled together in new ways as additional means to benefit business, demoting the needs of individual citizens to second place in the dynamic (Katz, 2001). Finally, there has been devolution of policy and its operations to sub-national levels along with a transfer of delivery of services away from the state to non-state sectors—although, due to political, social and cultural variations, it is expressed differently in different countries (McDonald, Harris & Winterstein, 2003; Abramovitz, 2005).

The U.S. Context

It is widely accepted that the U.S. welfare state evolved quite differently from those of other industrialized countries (Jansson, 2005; Katz, 2001). In its non-ideological, pragmatic origins it looked more to state governments and the private sector than did its European counterparts (Gilbert, 2002). It had more limited goals and created neither a national network of social services nor a fully integrated income maintenance system. Americans have long tolerated wider income disparities than their counterparts in other industrialized nations, mostly because of a persistent belief in individual responsibility and the relative absence of social movements and political parties to advocate for egalitarian and collectivist solutions to socio-economic problems (Reisch, 2005). Particularly since the 19th century, U.S. welfare policies have reflected these values and maintained prevailing social hierarchies (Patterson, 2001).

Since low-income groups lack power in U.S. society, they have been compelled to absorb the bulk of the social costs of
growth and change. In turn, the normative structure of the U.S. welfare state supports policy preferences for work over income maintenance and personal over social responsibility. Americans largely prefer marketplace solutions and, particularly during the past several decades, have increasingly resisted or feared government intervention. These preferences have been reflected in public opinion polls and rationalized by moral and pseudo-scientific objections to public aid, particularly to low income persons, which have exalted an ethic of private, personal charity instead of a publicly-funded social wage (Katz, 2001).

This was not always the case. Between the 1930s and the mid-1970s, most U.S. policymakers shared an integrated set of assumptions about the relationship between the market, government, and welfare provision. They agreed that public policy could serve as an instrument to ameliorate the consequences of private enterprise by collectivizing its social costs and assumed that state responsibility for welfare would gradually and continually expand with modest redistributive results (Katz, 2001; Jansson, 2005). Social workers embraced the emerging welfare state regime based on professional self-interest and cautious optimism that government policies would strengthen political democracy and create a more egalitarian and open society (Wenocur & Reisch, 1989).

As a result, by the early 1970s, the U.S. had begun to catch up with European concepts of citizenship. Reformers argued that citizenship involved more than the possession of mere political rights; it “include[d] certain basic social and economic rights, such as the right to a secure income” (Patterson, 2000, p. 178). Even Republican leaders embraced this idea. For example, during the Nixon administration, public assistance to the low income elderly, disabled, and blind was federalized in the Supplemental Security Income program (SSI), Social Security retirement benefits were indexed to the cost-of-living and, through the addition of Title XX to the Social Security Act, a range of social services became statutory entitlements for both low- and middle-income individuals and families (Reisch, 2008).

During the past quarter century, however, this expanded conception of citizenship, particularly as it pertains to welfare policy, was reversed—a phenomenon closely related to
shifting views about the so-called “underclass.” This produced a redefinition of welfare recipients and social service clients as consumers who are free to exercise choice in the selection of program options and providers. Although such changes were most notable in the health care and education fields, they influenced developments in income support and social service policies as well (Katz, 2001).

Beginning with the Reagan administration, federal and state policies have accelerated this retrenchment. They mandated workforce participation as a precondition of welfare eligibility and granted states “waivers” to implement policies that linked welfare receipt to behavioral norms. Stoesz (2000) termed this development “bootstrap capitalism” and described how its basic tenets—wage supplements, asset development, and community capitalism—were accepted as replacements for traditional liberal welfare provisions by Republican conservatives and Democratic centrists (Gilbert, 2002).

Proponents of traditional welfare provisions were placed on the defensive and, in fact, increasingly accepted the linkage between economic growth and human well-being (which implied the acceptance of policies designed to promote “efficiency”) and the preference for employment over welfare strategies (Danziger & Gottschalk, 2004). Although they continued to promote such liberal solutions as a national minimum welfare benefit, human capital development programs, and a reduction in the tax burden on the working poor, they increasingly came to adopt the language of self-sufficiency in place of social responsibility (Bergman & Lundberg, 2006; Skocpol, 2000).

Consequently, by the 1990s, “the rights of citizens depended increasingly on their participation in the regular labor market” (Katz, 2001, p. 297). Wage supplements through tax credits for low-wage workers, such as the Earned Income Tax Credit (EITC), and for their employers, primarily through the TargetedJobs Tax Credit and the Work Opportunity Tax Credit, replaced traditional income maintenance programs as the primary means of alleviating poverty in the U.S. Although popular among legislators in both major parties because they promote work over welfare, analysts have identified major problems in their implementation, such as widespread failure
to take advantage of available benefits, recordkeeping difficulties, and limited impact on certain types of households (Cauthen & Lu, 2003). These developments lay at the heart of a range of anti-poverty strategies during the Clinton Administration, particularly "welfare reform."

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) best exemplified this institutional change through the symbolic and substantive changes it produced in the U.S. welfare state. As the most visible "wedge issue" of a frontal attack on the incomplete U.S. welfare state, it represented the culmination of a generation-long process of devolving responsibility for public assistance to the states, eliminated the half-century old concept of entitlement for low-income children and families, and brought to fruition the longstanding preference of U.S. policymakers for work, rather than welfare, as the primary means of income support for the poor. By expanding and mandating the role of the private sector and faith-based organizations in policy implementation and service provision, it made the support of such community-based organizations critical to the successful transition of welfare recipients into the labor force and the economic survival of low-income families, particularly in urban neighborhoods (Chow, Johnson & Austin, 2005; Andersson, Holzer & Lane, 2005).

Researchers in numerous U.S. cities have found, however, that the underlying assumptions of PRWORA—that the majority of welfare recipients would find employment within statutory time limits and that private organizations would have sufficient capacity to care for those needing additional supports—have not been validated by the events of the past decade (Loprest & Zedlewski, 2006; Mishel, Bernstein, & Allegretto, 2006). Welfare reform produced substantial changes in the client populations agencies served: in their goals, objectives, staffing, and program outcomes; in resource acquisition and allocation strategies; and in the nature of inter-organizational relationships. Agencies survived by implementing additional or revised operating procedures, while struggling to retain their traditional character and mission (Abramovitz, 2005; Reisch & Sommerfeld, 2003; Fink & Widom, 2001; Alexander, Nank, & Stivers, 1999).
Post-9/11 developments have exacerbated these conditions. While the funding cuts PRWORA produced represent only a small fraction of total U.S. welfare spending, its much heralded “success” has justified the introduction of market-oriented discourse into political debates over the future of Social Security, Medicare and Medicaid, and even public education (Blank, 2002). As spending on domestic programs has stagnated during the Bush administration, the median income of American families has declined, while poverty rates, particularly among children, African Americans, Latinos, recent immigrants, and female-headed households have remained high (Bureau of Labor Statistics, 2006; Mishel, Bernstein, & Allegretto, 2006, U.S. Census Bureau, 2006). These dramatic policy shifts have further eroded the meaning of citizenship in U.S. society and the fragile foundation of the U.S. welfare state. These institutional changes have also begun to transform social work practice and the role of the social work profession in ways that would have been difficult to imagine just a few decades ago.

In sum, in so-called post-Fordist economies, like the U.S., the principle function of the welfare state is no longer to maintain the integration and inclusion of the working class but, rather, to engage in “the social management of the division of society” (Schaarschuch, 1990, p. 157). This increasingly reflects neo-conservative and neo-liberal views that prioritize cost containment over redistribution. Katz (2001) argues that PRWORA reflected “a willingness to accept massive poverty and suffering ... and a mean and truncated conception of social obligation and citizenship” (p. 359). Some feminist analysts of recent welfare changes go further and argue that a combination of welfare reform, economic restructuring, neo-conservative ideology, and marginalization in societal institutions have redefined and even eliminated women’s rights as citizens (Caiazza, Shaw, & Werschkul, 2004). Others have argued that during the past decade similar restrictions on immigrants’ rights have occurred (Capps, Fix, Ost, Reardon, Anderson & Passel, 2004; Tumlin & Zimmerman, 2003; Borjas, 2002).

In effect, the concept of citizenship has been restored to its pre-New Deal definition—participation in the market as a producer and a consumer—and, more reluctantly, in the
political system. Especially since 9/11, the racial dimensions of citizenship have also resurfaced on a scale unseen for half a century (Foner, 2002; Gordon, 2002). In other words, despite the resurgent, if largely rhetorical, interest in promoting civic responsibility, citizenship is now divorced from the economic and social contexts that give it substance and meaning. To fulfill these participatory roles, workers are (once again) increasingly dependent on market forces, even in cases of unemployment, illness, and old age (Bureau of Labor Statistics, 2006; Andersson, Holzer & Lane, 2005; Bowles, Gintis & Groves, 2005; Caiazza, Shaw & Werschkul, 2004; Cauthen & Lu, 2003). In the U.S., work status and income eligibility have become the primary determinants of access to institutionally-provided benefits, most of which accept the idea of consumption-as-well-being. Recent policy initiatives that promote asset accumulation among the poor, while limited in scope and, perhaps, in effectiveness, constitute an exception (Sherraden, 2005). As Katz (2001) points out:

The apotheosis of the marketplace not only commodifies the meaning of citizenship, it narrows the meaning of real work and reinforces the welfare state's gendered inequities by excluding socially important jobs—for instance, child rearing—that offer great human rewards. Some of the most satisfying and significant work exists outside the regular labor market, relegated disproportionately to women—taking care of old people, promoting the arts, building civic institutions, for example (p. 354).

Ironically, as U.S. welfare policies have increasingly emphasized self-sufficiency, research has revealed the growing significance of employment status as an indicator of economic well-being (Danziger & Gottschalk, 2004). A major factor appears to be the shrinking percentage of families who participate in post-PRWORA safety net programs (Urban Institute, 2006). Now that poverty rates are once again on the rise, and economic inequality continues to increase, the gap between economic need and policy response has taken on more serious implications (Holzer, Schanzenbach, Duncan & Ludwig, 2007).
The Australian Context

In Australia, the post-World War II liberal welfare state intensified trends established early in the 20th century which, when compared to the trajectory of the U.S. welfare state, reveal significant cultural differences. Reflecting an historic compromise between labor and capital, the Australian version of the welfare state, unlike the U.S., robustly upheld citizenship rights—although primarily as industrial rights (Wearing, 1994). In the interests of protecting the viability of a recently industrialized economy, Australia developed a comprehensive system of tariff protection and a legislatively founded and protected centralized wage fixing system. The latter became the primary mode of redistribution and social protection (Castles, 1983), complemented by employer-funded sickness and other entitlements (Smyth, 1994). Australian (male) wages were kept artificially high, a system which both encouraged and allowed families to meet their own needs. Other health, education and social services developed incrementally, largely in response to political mobilization of interest groups (Watts, 1987).

As the 20th century progressed, highly targeted and selective income support funded through general Federal tax revenue was established for people falling outside of the labor market. As in the U.S., these were groups which the wage earners’ welfare state largely ignored—the aged, the disabled, orphans, widows and supporting parents, and the unemployed. Health services, education, and welfare were funded primarily by the Federal government and were delivered through a complex mixed economy of welfare, again, much like the U.S. (Lyons, 2001). Wage fixing aside (and in spite of other generous oddities such as the Pharmaceutical Benefits Scheme which provides heavily subsidized drugs to all Australians), the overall orientation of the Australian welfare state was nevertheless fairly reluctant, patchy, parsimonious and in the case of income security, stigmatizing (Graycar & Jamrozik, 1989).

During the early 1970s, this essentially piecemeal approach was abruptly overhauled, and a period of extensive, even eccentric, welfare state building began (McDonald & Marston, 2002a). Over a heady three year period (1972-1975) the Australian government created, for example, a universal health insurance system, free tertiary education, a publicly funded legal aid system, an extensive community health
program, an ambitious urban regeneration program, and an expansive regional employment program (Johnson, 1989). Substantial efforts were made to overhaul the income security system, decreasing its selectivity and opening it up to previously excluded groups such as single mothers. Similar to the New Deal and the War on Poverty eras in the U.S., this was an aberrant period in Australian welfare history, but it was highly influential in that it swung the pendulum away from Australia as a welfare laggard to a more comprehensive liberal welfare state with some clear social democratic tendencies. In post-Fordist terms, the Australian welfare state met the needs of both labor and capital for a long period (for the first seven decades of the 20th century).

Unfortunately, the brief expansionary period coincided with global economic processes which fundamentally re-wrote that historic compromise and firmly squashed any nascent flirtation with social democratic ideals (Jamrozik, 2001).

Accordingly, during the last two decades of the 20th century, the 1970s social democratic turn in the Australian welfare state was slowly and steadily overturned. As in the U.S., economic globalization and the associated rise and eventual dominance of neoclassical economics and neo-liberal politics played a key role in de-stabilizing and eventually completely fragmenting the compromise between capital and labor (Smyth, 1994). The central plank of the Australian system, centralized wage fixing, was steadily dismantled rendering the wage earners' welfare state an historical artifact. Further, the removal of the tariff walls opened up the Australian economy to that complex of global economic forces which, as happened in other industrialized nations, particularly the U.S., reconfigured industry and the domestic labor market.

In addition, similar to the U.S., macroeconomic policy prioritized the reduction of inflation over employment generation. As a consequence, unemployment and underemployment grew rapidly and the traditional reliance on full-time life-long employment, upon which the original welfare model was predicated, became redundant (McDonald & Marston, 2005). Further, irrespective of political orientation, sustained Federal government fixation with reducing budget deficits heralded an unrelenting fiscal squeeze and associated widespread cuts in funding for services.
At the same time, Australian governments became increasingly disengaged from direct service delivery and more and more services were devolved to the other sectors, including the informal sector (McDonald & Marston, 2002b). In some ways, the Australian experience resembles that of the U.S., but there are significant differences. In the late 1980s, early 1990s, and since 2001 there were massive Federal deficits in the U.S., created largely by a combination of tax cuts and increases in military spending, which have severely constrained spending on domestic policies, particularly welfare (Piven, 2002; Katz, 2001). In Australia, on the other hand, the reluctance to spend on welfare resulted not so much from any real fiscal pressure but from an ideological commitment to neo-liberalism (Jamrozik, 2001). Nevertheless, vigorous application of the nostrums of New Public Management (Osborne & Gaebler, 1992) ensured that state control of the mixed economy of welfare escalated through such mechanisms as the contract, audit, risk and the quality agenda (Carroll & Steane, 2002).

In keeping with OECD recommendations, Australian income security policy began to undo any pretense of social citizenship rights, and fractured the dependent population back into the categories of deserving and undeserving poor (Ziguras et al., 2003). Unlike the U.S., with its focus on welfare mothers, the primary target has been the long-term unemployed who have, since 1996, been drawn into an extensive punitive and coercive workfare program emphasizing claimant obligations as opposed to rights (McDonald & Marston, 2005). Further, like the U.S, the new regime is largely delivered by the nonprofit and market sectors under the aegis of the Federal government. In Australia, for example, the clearest and most widespread example is the Job Network, a decade-old quasi-market system of employment services involving the nonprofit and for-profit sectors under contract to the Federal government (Considine, 2001).

As yet, the Australian system has not managed to embroil state governments, and significant areas of service delivery remain relatively unaffected by the rationalities of workfare. However, recent Federal government policy initiatives have: a) dismantled centralized wage fixing and replaced it with contracts negotiated between individual employers and employees, and b) widened the pool of welfare recipients in the
activation regime. Together, these developments destabilize the remnants of the Australian welfare state and extend the workfare regime to people with disabilities and supporting parents. In summary, the combination of reversing commitment to redistribution via wage de-regulation, the ongoing commitment to containing inflation at the expense of employment, the re-shaping of the labor market, fiscal parsimony, and the linking of income security with employment policy have all lead to the emergence of a nascent workfare regime in Australia.

Social Work, Welfare and Workfare

These dramatic policy developments have been spurred by economic globalization, which has dramatically altered both governments' ability to ameliorate the social costs of a basically unfettered market. In its current form, economic globalization is based on the assumption that capitalist institutions, ideology and behaviors are universally accepted as normative and that the expansion of welfare state provisions threatens to disrupt the efficiencies of unimpeded markets (Bergman & Lundberg, 2006; Ferrera, 2005; George & Wilding, 2002; Esping-Anderson, 2002). In the U.S., which has been a world leader in this regard, the effects of globalization have been compounded by two distinct, yet inter-related shifts in institutional political power. Southern and Western states with more conservative welfare traditions have gained electoral ascendancy through reapportionment, while within states, power shifted from urban to suburban and rural areas, creating a form of "political apartheid" which resembles, in some ways, a return to pre-New Deal political alignments.

In the arena of welfare policy, this reinforced the emergence of the workfare regime and produced two notable changes. The "success" of welfare reform was defined solely in terms of caseload reduction; this reduction was to be achieved through eliminating legislative entitlements to assistance, enhancing and expanding long-established, coercive work requirements, which had been initially implemented at the state level, and relying increasingly on the private sector for service provision. As a result, since the 1990s, the inter-sectoral relationships in the U.S. welfare state most closely conform to Young's (1999) "supplementary perspective," in which private organizations
fill gaps in goods and services that government has reduced or eliminated.

During the first few years of PRWORA, declining welfare rolls and states' budget surpluses obscured this transition. More recently, however, the decline in the real value of TANF grants, coupled with burgeoning fiscal deficits, have substantially reduced the public sector's contribution to income support and social services (Loprest & Zedlewski, 2006; Urban Institute, 2006; Center on Budget and Policy Priorities, 2006). This raises critical questions for scholars, policymakers, and social work practitioners regarding the nature of social welfare institutions: To what extent can the private sector replace the public sector in terms of financing or direct service provision? And, what are the consequences of this shift in the locus of social welfare responsibility for service recipients, social workers, and the private sector as a whole (Reisch & Sommerfeld, 2003)? While differently articulated, similar questions face Australian social workers, social welfare providers, and ultimately service recipients. In that country, sustained Federal government-inspired fiscal stringency has put unprecedented pressure on state-based service delivery systems which, in turn, have flown on to contracted, nonprofit agencies. Subsequent financial shortfalls coupled with increased regulation stemming from the application of New Public Management-inspired contractual arrangements have increasingly re-shaped the manner in which social welfare is delivered to vulnerable populations. As yet, the full impact is unknown, but there are sufficient signs to suggest that these developments coupled with the retrenchment of the Australian version of the Keynesian welfare state are placing and will continue to place hitherto unimagined pressure on the institutions of social welfare, on vulnerable populations, and on social workers (McDonald, 2006).

Recent scholarship from both countries has provided largely pessimistic answers to the questions posed above. Welfare policy changes have encouraged the spread of market mechanisms in the nonprofit sector with deleterious effects on agencies' missions, culture, values, and employment opportunities, and on the nature of inter-sectoral relationships (Abramovitz, 2005; McDonald & Marston, 2002a). The combination of privatization and devolution has created
unsustainable pressures on nonprofit agencies. These forces have also produced an increasingly adversarial climate among and within the agencies themselves, which, in turn, has negative consequences for worker-client relationships, staff workloads, and the effectiveness of traditional modes of intervention. It has also produced new ethical dilemmas, particularly around such issues as confidentiality, informed consent, self-determination, and divided professional loyalties (Abramovitz, 2005; Reisch, 2003; McDonald & Chenoweth, 2007; Strom-Gottfried, 2007).

Clearly, the emergence of workfare regimes in both the U.S. and Australia have had far reaching implications which draw further salience from the realization that the type of change—regime change—operates as a form of institutional change. It promotes an alternative rationality or logic for why welfare is delivered and for its role in liberal democracies (Townly, 2002). Social work, we suggest, is not immune, and it is to this that we now turn. Before doing that, we first develop an appreciation of how American and Australian social work were positioned within their respective welfare states. We do this primarily to promote awareness and understanding of the degree of change which has occurred in such areas as professional autonomy, worker-client relationships, the respective roles of the public, private, and non-profit sectors, and the emergence of new ethical dilemmas. (Reisch, 2005; McDonald, Harris & Winterstein, 2003; Piven, Acker, Hallock & Morgen, 2002; Reisch & Gorin, 2001; Pugh & Gould, 2000).

Social Work in the U.S.

The political, economic, and ideological forces that shaped the U.S. welfare state also influenced the nature of its professions and the purpose and character of American social work (Wenocur & Reisch, 1989). U.S. social workers have struggled with the contradictions between their self-proclaimed ethical imperative to work for social justice and their need for elite support to preserve their tenuous occupational status. This tension has influenced how American social workers have addressed issues of socio-economic inequality, the relationship of employment to individual well-being, family and
community life, and the role of government in ameliorating the consequences of the market (Jansson, 2005). More recently, issues of race and gender have made the resolution of these contradictions increasingly complicated (Reisch & Andrews, 2001).

Since the 1980s, the dominance of a conservative, anti-government ideology has dramatically altered the character of U.S. social work. For the past generation, activist social workers in the U.S. have spent most of their political energies defending the nation's fragile safety net and legal protections for women and persons of color. Many of their long-standing criticisms of the nation's welfare system were used by conservatives to justify the "reforms" included in PRWORA. Lacking a viable alternative, U.S. social workers were thrust in the ironic position of defending the very system they had fiercely criticized since the 1960s. Consequently, social workers had little impact on the major policy debates over welfare reform that took place during the 1990s (Piven, 2002).

PRWORA drew a wide range of social welfare services and their clients into the political and ideological project of welfare reform. A peculiar contradiction has emerged between the goal of self-sufficiency and the power- and resource-dependent position in which TANF recipients and those who purport to help them find themselves. Because of this fundamental dependency, individuals can appear to exercise initiative only if they act in accordance with the values and goals of the dominant workfare regime. The consequences are felt strongly by social workers and clients (Strom-Gottfried, 2007).

Several illustrations can serve to illuminate the new environment in which social work is operating. One example of institutional change under the emerging workfare regime is the increasing use of "controlled analysis, in the form of demonstration projects and experiments, to test social policies" before they are incorporated into national legislation. Brodkin and Kaufman (2000) found that this approach tends to perpetuate rather than revise persistent beliefs about welfare recipients. Another is the diminution of states' freedom to create individually tailored cash assistance programs because of legislative mandates that have "forced states to move recipients into work activities at the end of two years, and established
financial penalties for states [that fail to meet] federally defined work participation rates” (Zedlewski, Holcomb, & Duke, 1998, pp.43-44). In the late 1990s, even before caseloads increased and fiscal pressures made state funds to support recipients scarce, some states had moved closer toward policies that discouraged welfare participation and all states revised their policies toward a stronger focus on work (Blank, 2002; Borjas, 2002; Loprest & Zedlewski, 2006).

At the level of individual organizations, these changes had a more profound impact. Numerous studies have found that increased inter-organizational competition privileged larger organizations and caused organizations of all sizes “to alter their traditional character” (Alexander, Nank, & Stivers, 1999, p. 461; Abramovitz, 2005; Reisch & Bischoff, 2000; Twombly, 2001; Reisch & Sommerfeld, 2003). At the policy level, studies on the impact of welfare reform suggest that its consequences actually contradict the stated goal of devolution. PRWORA has increased states’ reliance on federal revenues and, in some ways, diminished the discretion of social service agencies in the design of program objectives and methods of intervention (Rockefeller Institute, 2000). The client populations served by these agencies have also changed dramatically. They are more likely to be seeking emergency assistance and to come for service for involuntary reasons. These effects have been particularly severe among organizations that serve a high proportion of racial minorities (Reisch & Sommerfeld, 2003).

As a result, the relationships between individuals and institutions in the welfare-workfare nexus are increasingly depersonalized. In contrast to the goal of empowerment in U.S. social work, they are not based on human interactions to create viable and meaningful social structures. Rather, they reflect the growing power imbalance in U.S. society which privatization has intensified (Piven, et al., 2002). The pressure of welfare reform has also changed the nature of social work intervention itself. There is now greater emphasis on short-term outcomes, even as the number of involuntary clients with complicated, multiple problems has increased (Abramovitz, 2005; Reisch & Sommerfeld; McDonald, Harris & Winterstein, 2003).

In addition to the challenges described above, the growing powerlessness of workers in the workfare state reflects the
shrinking control they possess over strategic resources and their inability to resolve environmental uncertainties (e.g., levels of adequate funding, changing administrative regulations). This is due to several factors. First, the resources social workers require are increasingly under the monopoly control of forces outside the span of control of their organizations, such as foundations, corporate funders, and legislatures dominated by conservative politicians. These forces often operate under fundamentally different ideological premises about the purpose and nature of public welfare (Reisch, 2003; Piven, 2002; Pugh & Gould, 2000). Second, social workers play little or no role in decisions to resolve environmental uncertainties. Finally, social workers often cannot anticipate what these decisions will be because the processes by which they are made are ambiguous, unstated, shifting, or beyond their reach (Penna, Paylor, & Washington, 2000). This situation of powerlessness creates an inevitable paradox for those social workers who seek to change prevailing policy or bureaucratic imperatives—change can only occur through structural challenges to the workfare regime, yet those who promote change must operate from an increasingly constrained and regulated base which lacks the resources and power needed to sustain a challenge to prevailing institutional hegemonies. Despite the ethical imperative to promote social justice, social workers in the U.S. are increasingly compelled to comply with the logic of the new welfare regime and to accept its determinants of success. Through its underlying challenge to the legitimacy of the social welfare system, welfare reform also rationalized the pursuit of new and vast resources of capital—the Social Security trust funds—and an expanded role of the market in health care provision (Katz, 2001; Reisch, 2003).

Social Work in Australia

Given the unusual pattern of welfare state development in Australia (that is, redistribution via centralized wage fixing), social work could never play more than a minor role in the welfare regime. Nevertheless, as part of efforts to promote national reconstruction at the end of World War II, the Federal government opened up a significant role for social workers
in the federally-run income security system (Fitzgibbon & Hargraves, 2001). Social workers managed to firmly establish themselves in that context, and unlike their U.S. counterparts, have retained a central role in public welfare. The nature of the Australian income security system is such that social work, by remaining centrally engaged in the system, rendered itself quite important in the promotion of the Australian version of (albeit limited) social citizenship rights. Australian social workers were also quite successful in positioning the profession in the incrementally developed post-war arrangements for social welfare and health services. In the 1950s, social work developed in the Australian states, particularly in statutory child welfare, health and disability, and to a lesser extent, corrections (Boasa & Crawley, 1976). Nevertheless, it remained a small but distinct occupational group within a similarly small social welfare labor market (Meagher & Healy, 2005). This parallels the early development of the social work profession in the U.S. (Wenocur & Reisch, 1989).

Significant expansionary opportunities presented themselves in the 1970s when substantial growth in social welfare services occurred. Despite the gradual cooling of political attitudes to the welfare state, growth has continued in social welfare services for the aged, the disabled, the homeless, people with substance abuse issues, victims of domestic violence and so forth, often at the behest of the Federal government policy initiatives, managed by the states and increasingly located in the nonprofit sector (Martin, 1996). In essence, the 1970s, 1980s and early 1990s were the highpoint of Australian social work within the mature version of the Australian welfare state. Furthermore (particularly for our purposes here), the values and aspirations of Australian social work were largely congruent with those of the mature Australian welfare state.

Because of differences in funding arrangements, Australian social work is not as implicated (at least in terms of percentage engagement) in workfare-related programs as is U.S. social work. However, that hiatus is temporary. Like their U.S. counterparts, a significant proportion of Australian social workers are employed in state-based or state-contracted health and welfare agencies (Bureau of Labor Statistics, 2006). The state agencies are funded through state revenue, itself mostly
made up of untied Federal general revenue grants (grants for which there are no compliance requirements). The impact of Federally-generated neo-liberalism has, to date, been moderated by the individual states and by the activities of an upper house which the government did not control. This situation recently changed and it is expected that workfare will roll out to substantial areas of state welfare activity. As yet, most social work experience of neo-liberalism is not fully-fledged workfare, but is largely felt through the imposition of New Public Management-inspired practices. Unlike the U.S., these organizational and management practices have not been quite as aggressively promoted, as the imposition of the contracting out and competition has been patchy and the states remain involved in service provision (McDonald & Marston, 2002b). Nevertheless, there are two primary sites where workfare is the primary mode of operation. The first of these is Centrelink, the Federal income security agency (in which, as noted earlier, social workers have a significant presence). The second is the Job Network—a network of over two hundred non-state organisations operating in over two thousand sites across the country providing employment services on behalf of the Federal government. While it is not known how many social workers are employed in the Network, we do know that they are there (Marston & McDonald, 2003). Both of these service delivery systems are exemplars of the workfare regime. Further, the Federal government has clearly indicated its intent to roll out welfare reform more broadly, and like the U.S., will in all likelihood ensure state compliance through the use of legislated financial incentives and the subsequent exploitation of resource dependencies between the states and the Federal government, and between funding bodies and service delivery agencies.

Rationalities of Welfare and Workfare

To promote appreciation of the likely impact on social work of engagement with the workfare regime, we draw selectively on a set of concepts developed theoretically and refined empirically within the corpus of what is known as neo-institutional theory (Powell & DiMaggio, 1991). We consider that welfare regimes function as institutions, in that they
comprise a set of norms regulating the interaction of social actors—groups, agencies and individuals—in the promotion of ‘welfare’ (Bouma, 1998). The shift from the welfare state to the workfare regime represents institutional change, the effect of which is to disrupt pre-existing field-level consensus about what constitutes ‘welfare’ by introducing new ideas and practices (Greenwood, Suddaby & Hinings, 2002). Within fields there are various groups—for example, organizations and the professions—which differentially influence field-level debates (Greenwood et al., 2002; Hoffman, 1999; Bouma, 1998; Cooper, Hinings, Greenwood & Brown, 1996). In Australia, for example, the introduction of workfare has meant that income security entitlements are no longer linked to social citizenship rights, and the operations of providing payments has shifted dramatically from a traditional public bureaucracy model to a flexible ‘business’ model (Vardon, 2003). In the U.S., the focus has shifted away from service provision towards case “management.”

Recently theoretical attention has focused on institutional change processes that emphasize field-level shifts in logics and their associated rationalities (Aldrich, 1999; Scott, Reuf, Mendel & Caronna, 2000). The rationalities of welfare reform promoted by the workfare regime, for example, reflect an institutional logic—a common meaning system that represents an array of material practices and symbolic constructs that constitute organizing principles guiding activity within a field (Galvin, 2002). Institutional logics provide the rules of the game, and shape what constitutes both ‘problems’ and ‘solutions’ (Thornton & Ocasio, 1999). Changes in the institutional logic of a field over time lead to changes in the functioning and behavior of constituents (Galvin, 2002), for example, social workers.

The Weberian notion of value spheres (Friedland & Alford, 1991) operating within the institutional logic of a field is useful for illustrating the scope of change. An institutional field can be (and often is) pluralistic in that multiple sub-rationalities can operate within it. Within both the welfare and workfare field, social work is one value sphere with its own theoretical, substantive and formal rationalities (Townley, 2002; Kalberg, 1980). These provide the foundations of both professional identity and patterns of action that make up social work
practice. As we illustrate in Table 1, social work rationalities are largely congruent with those of the welfare state, and they can be contrasted with the rationalities of the new institutional logic of the workfare regime.

Table 1: Rationalities of Social Work and Workfare

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<tr>
<th>Rationality</th>
<th>Social Work</th>
<th>Workfare Practice</th>
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<tbody>
<tr>
<td>Theoretical</td>
<td>Promotes the mastery of reality through particular cognitive constructions, application of specific concepts, and processes of logical deduction.</td>
<td>Social work practice is informed and directed by social work practice theory predicated on professional autonomy.</td>
</tr>
<tr>
<td>Rationality</td>
<td>Orders action into particular patterns by reference to an identifiable cluster of values.</td>
<td>Social work practice is informed by social work values, congruent with values of liberal-democratic welfare state.</td>
</tr>
<tr>
<td>Substantive</td>
<td>Orders action by reference to rules, laws or regulations relating to the economy and society.</td>
<td>Social work practice is informed by policy and bureaucratic logics of the post-war welfare state.</td>
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<tr>
<td>Rationality</td>
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1 These are drawn from Kalberg, 1980.

Specifying the rationalities of social work and workfare-related practices in this way allows us to acknowledge the nature and extent of the differences between welfare (and social work) and workfare. What we need to do now is address the implications of what happens when such different rationalities are present in the same field. Neo-institutional theory would suggest that in the context of the shift from the welfare state to the workfare regime, the conditions for institutional change clearly exist. Oliver (1992), for example, nominated the antecedents of change: mounting performance crises, conflicting internal interests, increasing pressures to innovate, changing external dependencies, increasing technical specificity and goal clarity, increasing competition for resources, and changing institutional rules and values. There is sufficient evidence of all
of these factors operating in both the U.S. and Australia over the past twenty years. The supplanting of the logic of the welfare state with that of the workfare regime can be explained as the combination of an enabling pattern of resource dependencies (in that those wanting change also control resources and those resisting change are resource-dependent), plus the existence of a credible alternative (Greenwood & Hinings, 1996). That is the case in both countries in that institutional change was and is driven by Federal governments with almost total control over resources pursuing the new logic with the blueprint provided, for example, by influential right wing think tanks and conservative scholars (Piven, 2002; Katz, 2001).

In the introduction, we suggested that the logic of workfare as an institution has taken on a hegemonic status. Theoretically, this can be understood as full institutionalization, wherein the logic of workfare has such a degree of cognitive legitimacy so as to become taken-for-granted (Greenwood et al., 2002). And, as Tolbert and Zucker (1996) point out, fully institutionalized rationalities can survive across generations, uncritically accepted as the definitive way of conceptualizing issues and behaving. Once an institutional logic such as workfare becomes dominant, the subsequent attitudes, attention and behaviors of influential actors (such as organizational managers and executives) become isomorphic with it. Thornton and Ocasio (1999), for example, demonstrate how the professional logic of the higher education publishing industry was replaced by an incoming and dominating market logic, largely through the activities and orientations of executives.

Theoretically, as the welfare state becomes re-institutionalized as workfare, it will develop a different language generating different interpretive frameworks (Meyer & Rowan, 1991). In the U.S. state of Michigan, for example, the Department of Human Services was renamed the “Family Independence Agency” for over a decade. (It recently switched back.) In using this language, participants 'create' the institution, in that it accounts for and recursively legitimizes actions and behaviors. Neo-institutional theory encourages us to examine the role of agency (for example, of social workers) in institutional processes—the various ways in which different aspects of human agency enact institutional orders (Barley &
Recent developments focus attention on the recursive relationship between agency and institution, suggesting that agents such as social workers operate within a form of bounded rationality (Perrow, 2000), in which they think up ways to 'go on' in the various contexts where they engage. Barley and Tolbert (1997) also link action and agency to the maintenance and change of social institutions. They propose a process wherein 'scripts' (ways of organizing and behaving) are encoded, enacted, replicated, revised, externalized and objectified by, for example, social workers. Theoretically, emergent scripts—in this case, patterns of responses to the contextual demands of the workfare regime—become a key means by which actors such as social workers negotiate institutional change.

Our reference earlier to Thorton and Ocasio (1999) indicates that there are extant empirical applications of neo-institutional theory to situations of institutional change which can inform our deliberations. We refer to two additional examples in other nations with advanced social welfare systems. The first of these looks at the impact of New Public Management on professionals working in museums (Townley, 2002). In this case, Townley presents findings from a longitudinal study of the impact of the introduction of business planning and performance measures in a government body in Alberta, Canada responsible for eighteen museums. She wanted to know how conflicts between different rationalities (in this case between the dictates of NPM and the professional rationalities of the museum curators, historians, researchers, archivists and educators) were handled. She found that while publicly there was formal acquiescence and compliance with the new systems, privately, individuals challenged, attacked and dismissed the initiatives. However, Townley also found that the degree of compliance and resistance varied depending on the type of rationality challenged. She concluded that in any given context there are hierarchies of rationalities which structure the degree of compliance or resistance. Where, for example, the substantive rationality of incoming institutional order appeals to or is congruent with broadly institutionalized values in the community, there is little resistance. Accordingly, we suggest that the culture of the U.S. (which led to “American exceptionalism” in its welfare state) would render it more susceptible to the
substantive rationality of workfare. Townley also notes that there is a deeper underlying tendency for formal rationalities to undermine substantive rationalities over time. This latter finding is, we suggest, significant for a profession whose primary rationality is substantive—that is, value-driven.

The second study looks at the impact (paradoxically) of social work students as volunteers on the institutional order of a feminist human service organization (Zilber, 2002). In this case, the context was a volunteer-run rape crisis center in Israel. When founded in 1978, all of the participants were affiliated with the feminist movement and they intentionally strove to create a center reflective of their beliefs. In particular, they promoted an understanding of rape in social and political terms. Further, the structure and management practices in the center reflected feminist and collectivist modes of organizing. At the time of the study (over twenty years later) these principles were still in evidence but had been considerably weakened. Faced with a shortage of volunteers and a growing demand for services, the center opened its doors to non-feminist members. Further, in order not to discourage potential volunteers, the feminist orientation was downplayed. Zilber (p. 244) says that “a novel type of volunteer was attracted to the centre—students and novice practitioners of therapeutic professions, especially psychology and social work, who were seeking a supportive context in which to practice their newly acquired professional skills.”

Over time, a therapeutic rationality dominated the feminist rationality, resulting in significant shifts in the orientation and organization of the center. These student volunteers drew their rationale and mode of operating from the professional knowledge imparted to them at University—a rationale that drew heavily on psychology and on formal social work and counseling models of intervention. Importantly, the center developed a degree of congruence with the rationalities of the broader society, and its legitimacy with the external environment increased. Of interest here is not the seeming success of social work, but the implication that the substantive and formal rationality of an organization can be overturned by a change in the type of people involved. Second, supplanting an existing rationality with one more congruent with the external environment increases an organization’s legitimacy and, hence, its
viability. What this demonstrates is that institutional change in organizations and institutional fields can be promoted and carried by shifts in the orientations of individuals working within them.

Conclusion

We have developed a case and a framework for an in-depth examination of the impact of the shift from welfare to workfare on social work. In choosing Australia and the U.S., we focus our comments and aspirations on two clear and advanced examples of the neo-liberal project. Nevertheless, given the ubiquity of the complex of ideas carried by neo-liberalism, we expect that its impact will be more widespread. We have suggested that social work as an idea and as a set of practices was (and to a certain extent still is) largely congruent with the institutional logic of the welfare state. We have also attempted, albeit in a limited way, to chart how this correspondence plays out in different national contexts. By charting the differential transition from welfare to workfare in both countries, we set the conditions for comparison. Given that the workfare regime is more firmly entrenched in the U.S., we would expect that the concomitant impact on social work would be greater, or at least, more in evidence. Nevertheless, we also propose that empirical engagement in the Australian contexts where workfare is well-established will illustrate very similar trends to those likely to be observed in the U.S. It is even possible that a form of trans-national convergence may become apparent as the canons of neo-liberalism penetrate different national contexts.

Also of interest is the mediating impact of the pre-existing welfare regime types (Esping-Anderson’s liberal, corporate and social democratic regimes) and the manner in which they interpret and respond to neo-liberalism. We note, for example, that there are regime-mediated differences in workfare programs for the unemployed in the Danish (social democratic) regime and the Australian (liberal) regime (Larson, Marston & McDonald, 2004). In the second half of the paper, we outlined a theoretical framework for first, understanding the transition from welfare to workfare, and second, for theorizing its likely impact on social work, and through social work, to all social welfare-related professions. As we have demonstrated, neo-institutional theory has proved useful in empirical accounts of
institutional change. In conclusion, we suggest that the comparative project we have outlined here, guided by the theoretical framework suggested, has the capacity to provide highly salient knowledge about the future of social work in the still evolving conditions of the workfare regime.

References


Townley B. (2002). The role of competing rationalities in institutional change.


