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SHADOW WORKS AND SHADOW MARKETS: HOW PRIVATIZATION OF WELFARE SERVICES PRODUCES AN ALTERNATIVE MARKET¹

BRIDGETTE BALDWIN*

INTRODUCTION

The rhetoric of Ivan Illich has been discussed, analyzed, and critiqued in countless scholarly articles.² There have been conferences centered on his work, classes taught on his writings, and forums populated with his criticisms even after his death in 2002.³ In his work, Illich offered a critique on the modernization of our social institutions and unabashedly offered unpopular and controversial solutions to what he deemed to be the problems in a move toward a capitalist world. Most notably, no area of society is saved from his

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1. A significant portion of this Article is excerpted from the author's Ph.D. dissertation. See Bridgette Baldwin, *Wisconsin Works? Race, Gender and Accountability in the Workfare Era* (Jan. 1, 2010) (Ph.D. dissertation, Northeastern University), available at http://iris.lib.neu.edu/cgi/viewcontent.cgi?article=1019&context=law_pol_soc_diss. Specifically, portions of this article are excerpted from the following pages of the author's dissertation: 141-44, 156-57, 175-78, 218-19, 233, 235-38, 240-41, 244-45, 248-52, 254-63, and 269-70.

2. See generally DAVID CAYLEY, *THE RIVERS NORTH OF THE FUTURE: THE TESTAMENT OF IVAN ILICH* (2005); *THE CHALLENGES OF IVAN ILICH: A COLLECTIVE REFLECTION* (Lee Hoinacki & Carl Mitcham, eds., 2002); DAVID HORROBIN, *MEDICAL HUBRIS: REPLY TO IVAN ILICH* (1978); Richard Kahn & Douglas Keller, *Paulo Freire and Ivan Illich: Technology, Politics and the Reconstruction of Education*, 5.4 POL'Y FUTURES EDUC. 431 (2007); Peter L. Berger, *Remembering Ivan Illich*, *FIRST THINGS* (Mar. 2003), www.firstthings.com/issue/2003/03/march.

3. See generally IVAN ILICH LEARNING WEB, <http://ivan-illich.org/> (last visited May 24, 2012); IVAN ILICH LISTSERV, [mail.ivan-illich.org/mailman/listinfo/illich_sig_ivan-illich.org](mailto:ivan-illich.org@mailman/listinfo/illich_sig_ivan-illich.org) (last visited May 24, 2012); *Ivan Illich Writing on the Web*, PRESERVATION INST., www.preservenet.com/theory/Illich.html (last visited May 24, 2012). The *International Journal of Illich Studies* released its first issue in 2009 and is a journal that focuses on the writings and contemporary wisdom of Ivan Illich. See INT'L J. ILLICH STUD., available at <http://ivan-illich.org/journal/index.php/IJIS/index>.

critique.⁴ This Article attempts to fuse Illich's misplaced ideas of gender roles with how privatization of welfare services in Wisconsin under the Wisconsin Works program (W-2) has legitimized shadow economy and work through mandated community service jobs. The way in which W-2 mothers and their conditions are an index for a shift in capitalist social relations in this age of neo-liberalism. The conditions of W-2 mothers dovetail nicely with, but also, powerfully exceed, the diagnosis of social relations that Illich encapsulates as shadow work. In the most general sense, neo-liberalism's focus on privatization⁵ has ushered in the shrinkage of a robust welfare state and all the institutions that go along with it. However, W-2 mothers reveal the shadows of this new private economy where we find actually not a diminished state, but instead the transference of power facilitated by the state to private interests. In this particular case, welfare reform has converted what was once compensated, although low, or more readily identifiable forms of labor into the categories of apprenticeship training and/or community service. The effects of this transference has in fact generated a new market of relative prosperity whereby the community service acts of welfare mothers en route to jobs that will most likely keep them below the poverty line has helped subsidize a wide ranging market of subcontracted not-for-profit and for-profit W-2 agencies that benefit from the shadow work of these women. And it is through welfare mothers that we can see the powerful converges between gender, labor, and privatization in the new economy.

What, then, is shadow work according to Ivan Illich? In his 1981 collection of essays entitled *Shadow Work*,⁶ Illich describes

4. See generally IVAN ILLICH, *DESCHOOLING SOCIETY* (Ruth Nanda Anshen ed., Haroer & Row 1971); IVAN D. ILLICH, *ENERGY AND EQUITY* (Calder & Boyars 1974); IVAN ILLICH, *GENDER*, (1982); IVAN ILLICH, *SHADOW WORK* (1981); IVAN ILLICH, *LIMITS TO MEDICINE: MEDICAL NEMESIS: THE EXPROPRIATION OF HEALTH* (Marion Boyars 2002) (1975).

5. Privatization of welfare is an initiative to introduce market relationships into the bureaucratic production of public services where a standard of social justice is replaced by an ethos of economic costs and benefits. With W-2, the state facilitated a system of privatization where counties became subcontractors in order to secure a market share of the welfare administration. This process of privatization created a system where welfare mothers were unclear about competing regulation and violations of policy, social workers were replaced by Financial and Employment Planners (FEPs), and all actors involved were subjected to a new set of market-based criteria that encouraged antagonism over service provision within the daily realities of public aid. See DAVID HARVEY, *A BRIEF HISTORY OF NEOLIBERALISM* (2007); LISA DUGGAN, *THE TWILIGHT OF EQUALITY?: NEOLIBERALISM, CULTURAL POLITICS AND THE ATTACK ON DEMOCRACY* (2004).

6. ILLICH, *SHADOW WORK*, *supra* note 4.

unpaid work that complements wage labor as shadow work. He states:

It comprises most housework women do in their homes and apartments, the activities connected with shopping, most of the homework of students cramming for exams, the toil expended commuting to and from the job. It includes the stress of forced consumption, the tedious and regimented surrender to therapists, compliance with bureaucrats, the preparation for work to which one is compelled, and many of the activities usually labeled “family life.”⁷

Therefore, according to Illich, shadow work is the unpaid work that society performs in preparation for consumption. It is the extra work required by industrial capitalism beyond subsistence. But this type of labor is more than mere preparation; he asserts that it is a series of coerced acts and practices that we are compelled to perform within the late capitalist system, i.e. capitalism after factories.⁸

Prior to 1996, mothers and their children had the limited and continually contested safety net of the Aid to Families with Dependent Children program (AFDC).⁹ But with Wisconsin leading the charge for welfare reform, many single mothers were left struggling to negotiate the varied requirements of the new program, W-2, while at the same time laboring over how to provide the basic needs for their children. This Article, through the voices of welfare mothers, will present an alternate lens through which to see how community service jobs (CSJs) and the privatization of social services shift economic resources from the state to market interests. Therefore, within the logic of the marketplace and the self-service economy, services which had once been considered waged labor are now reassigned value as acts of community service. Additionally, this Article will unpack how privatization has not simply created shadow work but has generated an entire shadow market, where the state transfers wealth and resources to private companies without the traditional economic parameters of competition.

I. HISTORICAL PERSPECTIVE

Before AFDC was enacted through the Social Security Act of 1935 and the birth of the New Deal, most, if not all, social services

7. *Id.* at 100.

8. *Id.*

9. SHELDON H. DANZIGER, ECONOMIC CONDITIONS AND WELFARE REFORM 2 (1999).

were handled by private religious and charitable organizations.¹⁰ However, with the onset of the Great Depression and because of the economic crisis affecting private religious and charitable organizations, the state and local governments began to provide public funding for social services. In the 1960s, we witnessed an overhaul of government funding for social services and this increase in participation by the government continued until the mid-1990s with the introduction and implementation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)¹¹ and block grants. However, most particularly, in recent years the federal government has withdrawn federal entitlements to fund state welfare programs.¹² In its place, the private sector has reinvented itself and reemerged as the leader in providing welfare services to indigent clients.¹³ The federal government has divested its interest in providing for the poor and has offered significant contracts to for-profit and non-profit agencies for a variety of social services.¹⁴

Under AFDC, the state paid more attention to the conditions for eligibility (i.e., the man-in-the-house rule and residency requirements, etc.).¹⁵ With the advent of welfare reform, the focus shifted away from examining who was eligible for social services to deter-

10. M. BRYNA SANGER, *THE WELFARE MARKETPLACE: PRIVATIZATION AND WELFARE REFORM* 13 (2003). See generally STEVEN RATHGEB SMITH & MICHAEL LIPSKY, *Nonprofits for Hire: The Welfare State in the Age of Contracting* (1993).

11. Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, 110 Stat. 2105 (codified as amended in scattered sections of 7 U.S.C., 8 U.S.C., 21 U.S.C., 25 U.S.C., and 42 U.S.C.).

12. When welfare changed from AFDC to PRWORA in 1996, much of the federal funding was consolidated into a Temporary Assistance for Needy Families (TANF) block grant. Once a grant amount has been determined, this amount is fixed for upwards of six years. Within this time period, the amount will not change. By example, the amount that is calculated for the block grant during the FFY 1996-2002 was calculated based on the highest amount received by a state from either, "(1) the average of AFDC-related funding to the state for FFY 1992 through 1994, (2) AFDC-related amounts paid to the state in FFY 1994, or (3) 4/3 of AFDC-related amounts paid to the state in the first three quarters of FFY 1995." JACOB ALEX KLERMAN ET AL., *WELFARE REFORM IN CALIFORNIA: STATE AND COUNTY IMPLEMENTATION OF CALWORKS IN THE SECOND YEAR* 359 (2001), available at http://www.rand.org/content/dam/rand/pubs/monograph_reports/2005/MR1177.pdf. States are required to contribute at least 75% to 80% of what it spent the prior year on its welfare program. This contribution is based on whether the state met the federal work requirement. Additionally, if a state fails to comply with federal standards, the TANF grant will be reduced by up to 5%. *Id.* at 360-61.

13. SMITH & LIPSKY, *supra* note 10, at 11.

14. *Id.* at 17.

15. See *Goldberg v. Kelly*, 397 U.S. 254, 269 (1970); *Shapiro v. Thompson*, 394 U.S. 618, 634 (1969), *overruled by Edelman v. Jordan*, 415 U.S. 651, 687 (1974); *King v. Smith*, 392 U.S. 309, 334-35 (1968).

mining how to make as many people as possible ineligible by emphasizing the need to work.¹⁶ Diversion programs were created, or in states like Wisconsin, accelerated, to de-emphasize welfare cash assistance and situate applicants within employment opportunities.¹⁷ In fact, under the new law, states were required to report a ninety-percent rate of employment for families receiving assistance under the Temporary Assistance for Needy Families (TANF) block grants in 2002.¹⁸ This mandate by the federal government encouraged a convergence between public and private institutions in solving the “welfare problem.” Moreover, the public outcry against the reported years of public assistance program mismanagement under AFDC suggested that perhaps charitable and private organizations could better meet the employment demands of the rising welfare roll.¹⁹

Scholars contend that local and state governments have steadily contracted out services because of dissatisfaction with the welfare system under AFDC, the implementation of welfare reform and the passage of PRWORA, and cynicism over whether the state and local governments could adequately perform effectively under the new program.²⁰ Before the enactment of PRWORA, critical scholars argued that the current welfare system under AFDC created dependent recipients without any motivation to be independent and economically self-sufficient.²¹ Therefore, changing “welfare as we know it” not only meant changing the structure of welfare, but also re-organizing who would run the program. With this view, allowing private for-profit or non-profit organizations to take a turn at running the program would introduce a new efficiency and productivity not just to the women receiving welfare, but

16. David Ellwood, *Welfare Reform as I Knew It: When Bad Things Happen to Good Policies*, PROSPECT.ORG (Nov. 19, 2001), <http://prospect.org/article/welfare-reform-i-knew-it-when-bad-things-happen-good-policies>.

17. John A. Wagner, *Welfare Spending in Milwaukee County: “Where Does the Money Go?”*, 5.2 WIS. POL’Y RES. INST. REP. 13 (Mar. 1992) available at <http://www.wpri.org/Reports/Volume%205/Vol5No2.pdf>.

18. CHILDREN’S WELFARE LEAGUE OF AMERICA, *CWLA 2005 Children’s Legislative Agenda*, CWLA.ORG, <http://www.cwla.org/advocacy/2005legagenda16.htm> (last visited May 24, 2012). PRWORA replaced AFDC with TANF on July 1, 1997. U.S. Dep’t. of Health & Human Servs., *Characteristics and Financial Circumstances of TANF Recipients*, HHS.GOV (July-Sept. 1997), <http://www.acf.hhs.gov/programs/ofa/character/fy97/revsum.htm>.

19. SANGER, *supra* note 10, at 17.

20. *Id.* at 23-24; see also MARY JO BANE & DAVID T. ELLWOOD, *WELFARE REALITIES: FROM RHETORIC TO REFORM* (1994).

21. BANE & ELLWOOD, *supra* note 20, at 67.

to the program itself by simply getting women off the rolls.²² Further, the federal government no longer matched state spending on welfare, and states were now given a set amount of money under the TANF block grant system.²³ Therefore, it was in the best interest of the state to create a more efficient and cost-effective system under the new law. In fact, the passage of PRWORA spawned a new interest in privatizing social services.²⁴ The privatization of social services, if administered properly, could benefit fiscally strapped states by shifting some of their public burden onto private companies in ways that provide a new infusion of federal funds without federal oversight or state responsibility for a growing poverty class.

Wisconsin was able to privatize its W-2 program through waivers even before PRWORA became law.²⁵ When welfare services were under the auspices of AFDC, the state and local governments of Wisconsin controlled access to the services and determined the rules of eligibility. With the creation of the W-2 program, however, the state of Wisconsin offered the program up for sale to the highest and most efficient bidder.²⁶ To this end, the W-2 program offered contracts to private agencies to determine eligibility determinations and control case management services, employment placement, and all other welfare-related services.²⁷ The state of Wisconsin solicited Request for Proposals (RFP), particularly in Milwaukee County, from private for-profit or non-profit agencies.²⁸ In Milwaukee County, the local government was also allowed to submit an RFP to compete with private agencies. However, the

22. Matthew Diller, *The Revolution in Welfare Administration: Rules, Discretion and Entrepreneurial Government*, 75 N.Y.U. L. REV. 1121, 1127 (2000).

23. KLERMAN ET AL., *supra* note 12, at 359.

24. PAMELA WINSTON ET AL., PRIVATIZATION OF WELFARE SERVICES: A REVIEW OF LITERATURE 3 (May 2002), available at <http://www.mathematica-mpr.com/pdfs/privatization.pdf>.

25. Carol Harvey et al., *Evaluating Welfare Reform Waivers Under Section 1115*, 14.4 J. ECON. PERSP., 165, 167 (Fall 2000), available at <http://test.aeaweb.org/jep/archive/1404/14040165.pdf>.

26. REBECCA SWARTZ ET AL., W-2 CONVERTING TO WISCONSIN WORKS: WHERE DID FAMILIES GO WHEN AFDC ENDED IN MILWAUKEE? 9 (1999), available at <http://www.mathematica-mpr.com/PDFs/w2report.pdf>.

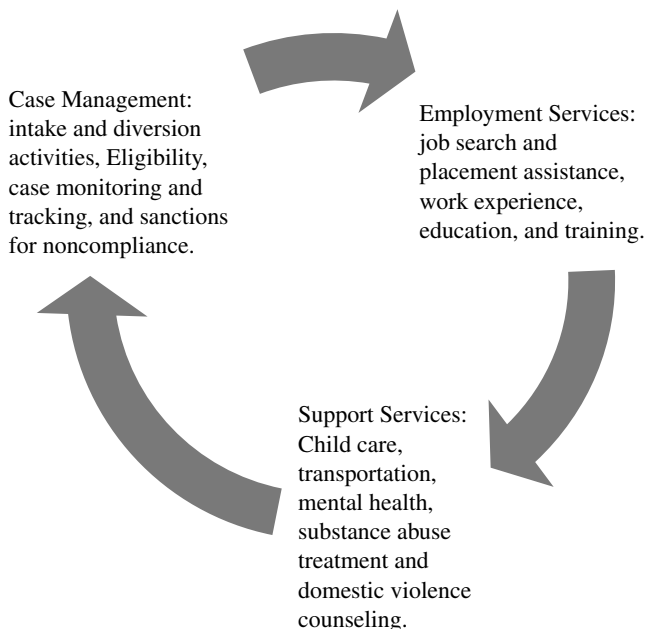
27. DAVID DODENHOFF, PRIVATIZATION WORKS: A STUDY OF THE PRIVATE ADMINISTRATION OF THE WISCONSIN WORKS WELFARE REFORM PROGRAM 4 (2002), available at http://www.hudson.org/files/publications/privatization_works.pdf.

28. *Id.* at 5.

county declined.²⁹ Hence, the W-2 Program in Milwaukee became, in all senses of the word, private.³⁰

The figure below briefly outlines the administrative effects of privatizing welfare services.

FIGURE 1: SERVICES PRIVATIZED UNDER PRWORA (AND W-2)³¹



Wisconsin and Milwaukee County, in particular, allow both for-profit and not-for-profit organizations to administer W-2 programs.³² In Milwaukee County, there have been at least five orga-

29. The state of Wisconsin gave each county the opportunity to have the first right of refusal to administer the W-2 program if they met certain requirements, including caseload reductions. Counties that met those requirements were allowed to administer the program without participating in the bidding process. Those, including Milwaukee County, which did not meet the requirements, would have to submit a competitive bid. *See id.* at 4-5.

30. STATE OF WIS. LEGISLATIVE AUDIT BUREAU, ADMINISTRATION OF THE WISCONSIN WORKS PROGRAM BY OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER MILWAUKEE, INC. (2004), available at http://www.legis.state.wi.us/lab/reports/04-OIC_ltr.pdf.

31. *See generally* U.S. GEN. ACCOUNTING OFFICE, GAO/HEHS-99-41, SOCIAL SERVICE PRIVATIZATION: ETHICS AND ACCOUNTABILITY CHALLENGES IN STATE CONTRACTING (Apr. 1999), available at <http://www.gao.gov/archive/1999/he99041.pdf>; U.S. GEN. ACCOUNTING OFFICE, GAO/GGD-98-87, PRIVATIZATION: QUESTIONS STATE AND LOCAL DECISIONMAKERS USED WHEN CONSIDERING PRIVATIZATION OPTIONS. (Apr. 1998), available at <http://www.gao.gov/special.pubs/gg98087.pdf>.

32. STATE OF WIS. LEGISLATIVE AUDIT BUREAU, *supra* note 30, at 1, 8.

nizations awarded contracts to run W-2 agencies: Goodwill Industries, Opportunities Industrialization Center of Greater Milwaukee (OIC-GM), United Migrant Opportunity Services (UMOS), YW-Works, and Maximus.³³ In 2004, OIC-GM was the largest provider of W-2 services in the state of Wisconsin.³⁴ Over fifty percent of clients enrolled in W-2 were assigned to the region in which OIC-GM was responsible.³⁵ OIC-GM is a community based non-profit organization, providing services to the low-income community in Milwaukee County.³⁶ OIC-GM was awarded its first contract as a W-2 provider in 1997.³⁷ In 2005 at the time of this study UMOS was the largest provider for W-2 clients in the state of Wisconsin. UMOS is a private non-profit organization which offers employment and job training services to the largely Latino migrant community in Milwaukee. In 1997, UMOS received a three-year contract from the State of Wisconsin to operate the W-2 program.³⁸ YW-Works is a community-based for-profit organization created by the YWCA, Kaiser Group, and CNR Health, Inc. in 1997.³⁹ That same year, YW-Works was awarded a contract to administer the W-2 program. In 2003, YW-Works serviced roughly 1,700 W-2 clients.⁴⁰ Lastly, Maximus is a nation-wide for-profit organization that was awarded a contract to administer the W-2 program in Milwaukee County in 1997.⁴¹ All of these organizations were given the autonomy to administer the program in the way that they deemed appropriate.

II. COMMUNITY SERVICE, JOB SEARCH, AND SHADOW WORK

The goal of W-2 is to assist individuals in finding employment. Unlike its predecessor, if an applicant is eligible for W-2 services, the applicant will be placed into one of four “self-sufficiency” placement areas.⁴² The goal of W-2 is to move each participant up the

33. *Id.*

34. *Id.* at 1.

35. *Id.*

36. *Id.*

37. *Id.*

38. *Brief History of UMOS*, UMOS, <http://www.umos.org/corporate/history.html> (last visited May 24, 2012).

39. DODENHOFF, *supra* note 27, at 5.

40. There were over 9000 W-2 clients in Milwaukee County. MICHAEL D. TANNER, *THE POVERTY OF WELFARE: HELPING OTHERS IN CIVIL SOCIETY* (2002).

41. DODENHOFF, *supra* note 27, at 5.

42. W-2, WISCONSIN WORKS, 6-7 (1996), available at <http://content.wisconsinhistory.org/cdm4/document.php?CISOROOT=/tp&CISOPTR=49223&CISOSHOW=49207> (last visited May 24, 2012).

self-sufficiency ladder until they are no longer receiving subsidized employment.⁴³ The first and most desirable placement is unsubsidized employment.⁴⁴ All W-2 applicants will be considered for this placement area.⁴⁵ At this level, a participant is considered “job ready” and will receive services geared toward attaining employment.⁴⁶ This level places an emphasis on work first and furthers employment over other worthy endeavors such as extended education or training opportunities.⁴⁷

The next placement area is Trial Jobs or subsidized employment.⁴⁸ In this placement, a participant is given a temporary job earning at least the minimum wage in order to gain work experience and training.⁴⁹ Participants are paid by the employer.⁵⁰ This particular placement is beneficial to the employer because the employer receives a bonus fee per month from the state for every W-2 participant in the Trial Job placement.⁵¹ Another job placement area is called W-2 Transitions (W-2T).⁵² Participants with significant barriers to both private and community service employment are placed in this subsidized placement.⁵³ Most participants in this placement level are not considered “job ready” and may have disabilities relating to physical, mental, or cognitive limitations, drug dependency issues, or learning disabilities.⁵⁴ Additionally, participants in this category may have the primary responsibility to care for a dependent that is disabled.⁵⁵

One other placement level mandates that its recipients engage in shadow work.⁵⁶ In CSJs, W-2 participants volunteer at various non-profit organizations around the city in order to gain work experience and training.⁵⁷ While participants are placed in CSJs and

43. *Id.* at 7; WIS. DEP’T OF CHILDREN & FAMILIES, WISCONSIN WORKS (W-2) MANUAL, ch. 1.1.2 (Apr. 7, 2011), available at <http://dcf.wisconsin.gov/w2/manual/whnjs.htm>. [hereinafter *W-2 Manual*].

44. *W-2 Manual*, *supra* note 43, at ch. 7:1.0.

45. *Id.*

46. *Id.* at ch. 7.3.0.

47. W-2, WISCONSIN WORKS, *supra* note 42, at 6.

48. *Id.*

49. *W-2 Manual*, *supra* note 43, at ch. 7.3.8.

50. *Id.* at ch. 10.1.

51. *See id.* at ch. 7.3.3, 10.1.

52. *Id.* at ch. 7.4.2.

53. *See id.* at ch. 7.4.2.2.

54. *See id.* at ch. 7.4.2.1.

55. *Id.*

56. *Id.* at ch. 7.4.1.

57. *Id.* at ch. 7.4.1.3.

each job requires varying degrees of skill development and task output, all participants receive cash assistance in the amount of \$673.⁵⁸ CSJs may consist of a number of volunteer opportunities including government, charitable, private non-charitable organizations and private for-profit organizations.⁵⁹ Additionally, a participant placed in this level may also be given certain other activities designed to increase training or education.⁶⁰ Such additional activities may include classes towards obtaining a GED, basic adult higher education courses, training for employment, and English as a Second Language (ESL) classes.⁶¹ Participants who are unable to get a job without additional education may also attend technical community colleges for up to two years as acceptable CSJ activities.⁶² However, it is important to note that the W-2 program stresses minimal educational attainment until the participant has succeeded in reaching self-sufficiency in the workforce arena, and, therefore, attending school in lieu of volunteer activities is at the discretion of the FEP.⁶³ Additionally, the participant would still be required to perform twenty-five hours per week of CSJ activities and attend ten hours per week of class activities.⁶⁴

The goal of the CSJ placement is to give the participant enough training to eventually place them in some sort of unsubsidized employment in the private employment sector.⁶⁵ Most individuals placed at this level have never been employed, and, therefore, lack the work habits and skills necessary to compete in the private workforce arena. Hence, CSJs are designed to mirror private employment opportunities but without private employment compensation. CSJs are designed to teach life skills to the previously unemployed, as participants are taught “valuable work habits and work socialization skills which all employers require from their workers.”⁶⁶ Participants are also taught reliability and work ethic, as well as how to be a team player.⁶⁷ Each CSJ maintains slots

58. W-2, WISCONSIN WORKS, *supra* note 42, at 6; *W-2 Manual*, *supra* note 43, at ch. 7.4.1.9.

59. *W-2 Manual*, *supra* note 43, at ch. 7.4.1.3.

60. *Id.* at ch. 7.4.1.2.

61. *Id.* at ch. 7.4.1.7.

62. *Id.* at ch. 7.4.1.7.1.

63. *Id.* at ch. 8.1, 6.1.

64. *Id.* at ch. 8.3.2.5.

65. W-2, WISCONSIN WORKS, *supra* note 42, at 6.

66. *Id.* at 10.

67. *Id.*

specifically designated for W-2 participants and does not, therefore, replace existing employees with W-2 workers.⁶⁸

Community service requirements are a form of uncompensated labor, but yet are vital to sustaining the profitability of the W-2 economy, and constitute an important yet under-examined site of shadow work. This section looks at how a system of welfare privatization has affected the lives of African-American women by shifting economic resources from the state to market interest through reassignment of previously compensated labor as CSJs.

W-2 policy and procedures presumes that W-2 recipients should be placed in apprenticeships so that they can learn *how* to work. The ritualistic understanding is that the reason these women are poor is because they do not have work habits or work skills. Therefore, they are placed in “work” opportunities and much is required of them in order to develop work habits and work skills. The trivial nature of the “work” opportunity is irrelevant; this opportunity is supposed to benefit the recipient by helping her develop good work habits. Ann, one of the participants in this study and a W-2 recipient, challenges such assumptions about her work ethic.

Ok so I have not had a job in a number of years because under AFDC you did not have to work. I mean you could work, but your check was not going to be as high if you did. But under this new W-2 they have you working your butt off, doing this and doing that. They assume that since I have not worked it means that I can't work, that I don't know how to handle a job. So they set me up doing things at the Goodwill and I ain't knocking nobody that work at the Goodwill, but working there making what W-2 gives me ain't gonna keep me afloat for too long. I need some training in something that I like, not simply having me work, for work you know just for working. And they want you to do so much for so little. In the beginning before you see any of they money, you out there day after day bringing in slips to them for no reason. This is what they call the trial period—trial period for what? To see how long you can make me do this dog and pony show? It ain't helping me get a job it's just busy work plain and simple. They expect more from us as poor mothers because we are poor, no one gonna stand up for us, no one cares about people on welfare. Not W-2, not FEP workers and not the jobs they send us to. They just want to humiliate us to the point

68. *Id.*

where we don't want to use the system or better yet, work us to death, right. Well I guess I need to work, right.⁶⁹

Here, W-2 creates a subsidized labor force based on the presumption that work, even meaningless and menial tasks, establishes job-readiness for “welfare queens.” The illusion is that these women on W-2 are unemployed because they lack skill training; therefore, the menial tasks and shadow work ultimately make them ready for legitimate wage labor. But the reality is that the jobs available to these women do not provide opportunities for advancement, and, instead, either keep them complacent and dependent, or, at best, completely regulated within a shadow market. The paternalistic essentialist⁷⁰ viewpoint sheds light on this phenomenon. This approach endorses a situation where these women are managed into scripted scenarios of not only what training is appropriate but also under what circumstances any sort of training will be provided. The agenda here is clear: so long as these women are placed in *any* work condition, they will be trained to survive, and, thus, move into self-sufficient roles. However, the reality is that without technical skills or educational training, these women could continue to be constrained to the bottom rung of the economic ladder.

W-2's Work First initiative encourages the placement of most participants into volunteer jobs.⁷¹ These volunteer jobs rarely lead to permanent employment because they are meant to be temporary placement activities in order to give recipients without a work history some work experience. Most CSJs last for six months and can be extended for an additional three months.⁷² If the CSJ chooses not to hire the W-2 recipient, the recipient is placed into another

69. Interview with Ann, a W-2 recipient (2005).

70. In the context of welfare discourse, the term “paternalistic essentialism” suggests that there exists a predetermined construct of a welfare mother profile, which presumes the specific characteristics or behaviors unique to the welfare poor. Those who marshal a paternalistic essentialist position then assume that every member of the welfare poor is of one particular social type that the state will govern irrespective of multi-faceted personal choices and challenges. The profile of this essential welfare being goes on to shroud the complexities of welfare experiences under an imagined caricature no matter who the person is or what that person's particular circumstance may be. This portrait of the poor, thus, serves as justification for state or market actors to make decisions on behalf of the poor with little concern for their personal wishes, interests, or even needs.

71. Interview by author with FEP Worker (2005). See generally WISCONSIN POLICY INSTITUTE REPORT, WISCONSIN WORKS: ONLY WORK SHOULD PAY (2004), available at <http://www.wpri.org/Reports/Volume16/Vol16no7.pdf>.

72. See W-2, WISCONSIN WORKS, *supra* note 42, at 6, 10.

CSJ position.⁷³ Changing CSJ positions will continue until the recipient has reached the maximum allowable time limit in the CSJ employment position.⁷⁴ Many of the mothers are shifted from one site to another without any real stability in employment or actual opportunities in skill building or training.

It is also important to note that it is irrelevant, as far as W-2 is concerned, that the actual W-2 placement may not have matched the skill of the individual or even the desire of the participant. One such individual, Naomi, observes, “All they care about is placing me in busy work. They don’t care what type of CSJ I’m in. I’ve sorted hangers, put glue packs together and worked at that filthy food pantry. And what do I have to show for it, nothing but a kick in the butt.”⁷⁵ In the end, the only thing that matters for W-2 compliance is that the recipient is engaged in some type of volunteer work, of any kind, and the assumption is that this quasi-labor will engender a good work ethic assumed to be missing from recipients. However, recipients counter that in order to make W-2 work, job opportunities must be offered that lead to permanent employment. While *any* type of employment may be the philosophy of the W-2 mission statement, desires for a higher quality of life call for employment opportunities which will do much more than move unemployed recipients into the category of the working poor. Employment opportunities must be tailored to meet the goals and abilities of the individual recipient.

Within a capitalist social order, we understand that there are gradations of class status predicated on one’s labor power and the ability to sell this labor power within the opportunities available in a given market. Therefore, those at the bottom rung sit there because their labor power is not regarded as highly valuable within the existing marketplace. However, paternalistic essentialism inserts an added wrinkle to the meaning and structure of class difference. Not only are those on welfare in poverty because they have not accumulated wealth and skills, but also they are seen as perpetual children, lacking the capacity to develop the skills that can generate the potential for class mobility. Paternalist essentialism makes poverty sit beyond the realm of politics, i.e., something that can be struggled over, as a product of social inequality or something that can be changed. For those surviving under welfare, poverty is

73. *Id.* at 7.

74. *Id.* at 8, 10.

75. Interview by author with Naomi, a W-2 recipient (2005).

not deemed a social fact, but is marked as a behavioral dysfunction, a choice to opt-out of the normal functioning of civil society. Therefore, when no volunteer opportunities are available, recipients are placed in job search activities. Another individual, Tracy, who has experienced the system first-hand, confirms this reality:

My first experience with the job search was so embarrassing. You know we have to go out every day for a certain amount of hours to look for a job I actually went to the Job Center and got on the computer and started looking for places that I can work at. Some places you can, you know, give them the application through the computer but other places you have to go there. So whenever I had to go to a place, I had to give this paper to sign. It was so embarrassing because you know they not going to look at you seriously if you give them W-2 paper and the second thing is that now they know you on W-2. I felt like I was back in school and having to bring home a note to my momma to sign. I did that for one or two days and then I started pulling them just on the newspaper and signing myself. No one checked but even having to do it one time was so stupid. And you know they make us do that because they don't think we have enough sense to get a job.⁷⁶

This experience of looking for jobs as a training exercise shows that W-2 training has little to do with any actually existing market; rather, it is structured based on a set of ideas about mothers as dysfunctional laborers. Additionally, this job search is a form of unpaid labor. W-2 recipients are required to engage in this type of labor before determination of eligibility.⁷⁷ Therefore, in the most classical sense, this type of “unpaid servitude” epitomizes Illich’s characterization of shadow work.⁷⁸ Many mothers clearly experienced the futility of this exercise, but also likely understood that the true goal of this job seeking exercise was to train mothers in the basic skill of compliance.

As the reform-based policy was emerging, it constructed a set of parameters, guidelines, and sanctions based on an ideal-type: the welfare queen that had been demonized in public discourse. Before actual mothers can traverse the arduous path from poverty to self-reliance, they are forced to fight through the long shadow cast by the welfare queen type. This is more than a metaphorical illusion, as the welfare queen became the benchmark for policymaking.

76. Interview by author with Tracy, a W-2 recipient (2005).

77. Interview by author with FEP Worker (2005).

78. See generally ILLICH, *SHADOW WORK*, *supra* note 4.

Sanctions are instituted based on the presumption of the mother's inherent deceptiveness. Work requirements are designed based on her inherent laziness, and skill-building exercises are crafted to counteract a presumed inability for job readiness.⁷⁹ Even low-skill busy work is valorized as noble based on the presumption that a mother's unemployment is the product of not only bad choices, but also poor job skills, instead of a paltry market.⁸⁰ Therefore, an actual mother's protest against such policies confirms her challenges to work and does not challenge the welfare system as is it currently constructed.

III. PRIVATIZATION OF SHADOW WORK⁸¹

When market relationships were introduced into the bureaucratic production of public services, the program moved from a standard of social justice to a logic of costs and benefits. In Milwaukee County alone, there have been at least five agencies holding contracts to administer the W-2 Program.⁸² Some organizations have been not-for-profit while others are for-profit. In the case of the for-profit business, the organization expects to increase its revenue. This profit-driven orientation motivates agencies such as YW-Works or Maximus to accept contracts to administer W-2 services. Private companies want to stay in business; therefore, they engage

79. See MARC V. LEVINE, UNIVERSITY OF WISCONSIN-MILWAUKEE CENTER FOR ECONOMIC DEVELOPMENT, *THE CRISIS DEEPENS: BLACK MALE JOBLESSNESS IN MILWAUKEE 2009* (2010), available at http://www4.uwm.edu/ced/publications/blackjoblessness_2010.pdf; UNIVERSITY OF WISCONSIN-MILWAUKEE EMPLOYMENT & TRAINING INSTITUTE, *SOCIO-ECONOMIC ANALYSIS OF NEIGHBORHOOD ISSUES FACING MILWAUKEE PUBLIC SCHOOLS STUDENTS AND THEIR FAMILIES* (2009), available at <http://www4.uwm.edu/eti/2009/MilwaukeeSocioEconomicAnalysis.pdf>; DEVAH PAGER, *MARKED: RACE, CRIME, AND FINDING WORK IN AN ERA OF MASS INCARCERATION* (2009).

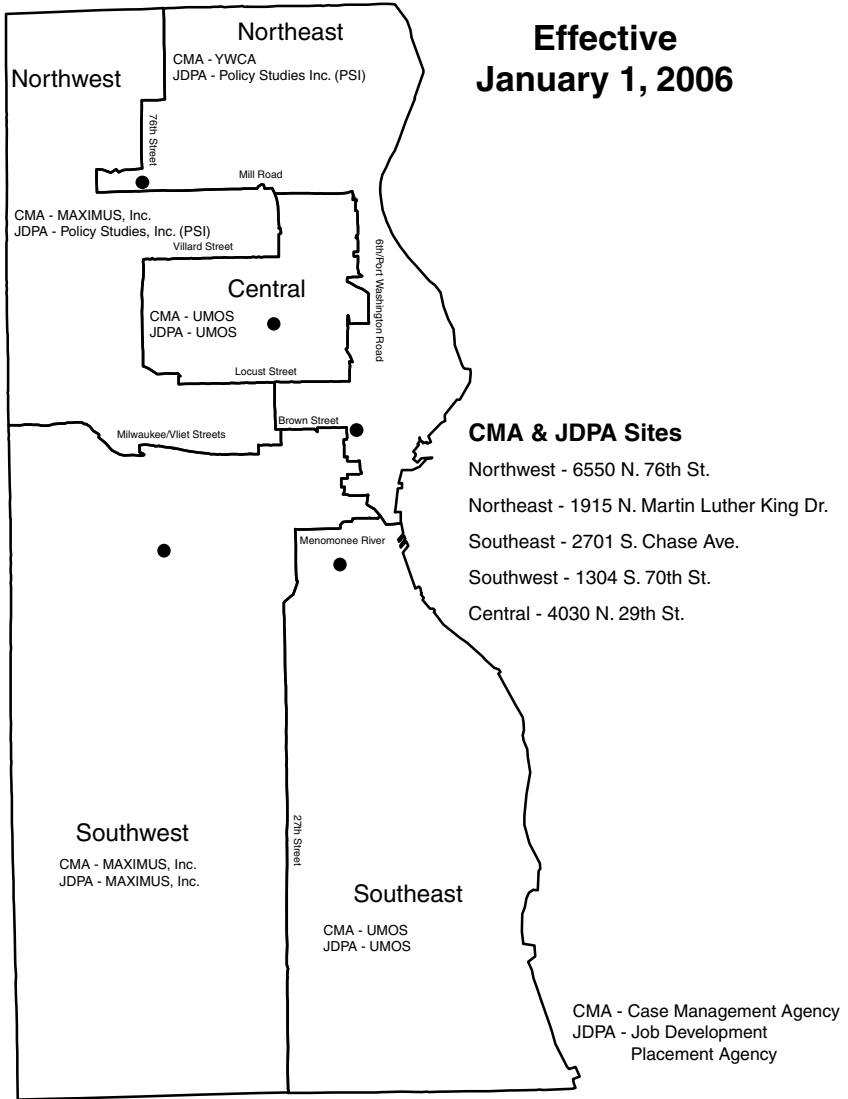
80. From 2003-05, Black Americans represented 6% of the population in Wisconsin yet 48% of the black families lived in poverty, 10.9% of black adults were unemployed, and 17.1% of black adults were under-employed. Additionally, black women earned \$4.11 less than white men. CENTER ON WISCONSIN STRATEGY, *BLACK WISCONSINITES AND ECONOMIC OPPORTUNITY 2* (2007), available at http://www.cows.org/pdfs/blackwisconsites_011107.pdf (last visited May 24, 2012).

81. Here I focus on the most common understanding of privatization, in which a government offers contracts to private organizations for services traditionally performed by local or state agencies. In some circumstances, this can include local and state participation, but in most cases, the government has completely turned the reigns of what were previously welfare services over to private agencies. At the heart of privatization is the idea that market-based competition among for-profit agencies will increase the quality of services.

82. SWARTZ, ET AL., *supra* note 26, at 1 ("As the result of a competitive contracting process, five private agencies provide W-2 assistance in the state's largest metropolitan area, Milwaukee County.").

FIGURE 2: MILWAUKEE W-2 REGIONS MAP⁸³

Milwaukee W-2 Regions Map



Wisconsin Department of Workforce Development, Bureau of Workforce Information
Date prepared: 1/30/2007

File: S:\DWS\Bwi\ArcGIS\Heather\MILW_2006regions_offices_new names_sites_06-09D.mxd

83. WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT, BUREAU OF WORKFORCE INFORMATION, MILWAUKEE W-2 REGIONS MAP (Jan. 30, 2007), available at http://dcf.wisconsin.gov/w2/pdf/milwaukee_w2_regions_map_2006_2009.pdf.

in behavior that will generate the most profit. They attempt to establish reputations in the community to attract consumers by training their employees in both the skills needed to operate the company and perform customer service. They stand by their products or services with eye-appealing advertisements and quality control guarantees. In most cases, it is assumed and understood that a market-based approach assures competition, which in turn generates a climate for efficiency and productivity. However, in the current formation of the workfare era and the creation of W-2, this is not the case. Within Milwaukee County's existing W-2 structure, there are not a number of for-profit welfare service providers competing against one another for client loyalty.⁸⁴

Of the five agencies holding contracts for W-2, only two, YW-Works and Maximus, are for-profit organizations. However, because of the zoning of participants, YW-works will never have to compete with Maximus for clients. In fact, what we witness with W-2 is the classic monopoly system. The current formation of the W-2 program assigns one single institution to an area of town known as a zone within the welfare system.⁸⁵ Therefore, if you are a W-2 client within a particular zone you only have one option for service, good or bad. The end result, despite appeals to a competitive and efficient W-2 program under capitalism, generates a monopoly environment that heightens callousness and evades accountability.

The way in which an agency secures its hold on the market is by facilitating a relationship between the community service labor of W-2 mothers, (i.e., their shadow work) and the sub-contracted needs of the state (i.e. the workfare agency). In this tripartite relationship, the value of the sub-contracted institution is predicated on its ability to manage the shadow labor of welfare mothers. In exchange for that relationship, the institutions are provided with continual contracts from the state.⁸⁶ But what is even more explosive about this revelation is that not only does each agency have a monopoly of clientele among the W-2 recipients, but they are also benefitting from a shadow market.

84. SWARTZ, ET AL., *supra* note 26, at 1.

85. *See supra* Figure 2.

86. DAVID DODENHOFF, *PRIVATIZATION WORKS: A STUDY OF PRIVATE ADMINISTRATION OF WISCONSIN WORKS WELFARE REFORM PROGRAM 4-6 (2002)*, available at http://www.hudson.org/files/publications/privatization_works.pdf (explaining that Wisconsin established "caseload reduction, job placement, and AFDC expenditure targets for the counties" that, if met annually, would lead to a renewed contract).

In the private business arena, the presumption is that businesses will produce the most efficient products or services in ways that simultaneously maximize their profit margins. The observations here are not meant to suggest that governmental control would necessarily produce greater efficiency. But under the model of public aid, cost-efficiency and profit should not be the benchmarks. Moreover, a public aid approach would leave open the possibility to hold decisions up to the scrutiny of a citizenry, the voting power of both state residents and recipients, as opposed to simply the limited interest of a board of trustees or the laws of a workfare market that is itself maintained by taxpayer dollars.

The end result in Wisconsin's privatized regimen is that the lack of competition produces an inferior product without marketplace consequences, but with overwhelming marketplace benefits. Under a profit-driven model, there is no longer the social programming image or focus, where help is given based on need. Instead the market-based approach requires W-2 agencies to market themselves as being profitable or efficient in getting clients off the rolls—even if the goal originally was to help those in need. To be sure, welfare is big business, but not for the proverbial welfare queen with multiple children that we caricature as getting rich off the rolls. Here, the gross accumulation of wealth is reserved for the subcontracting agencies. For example, Maximus has been awarded contracts as the administrator of W-2 with a value in excess of \$107.7 million.⁸⁷

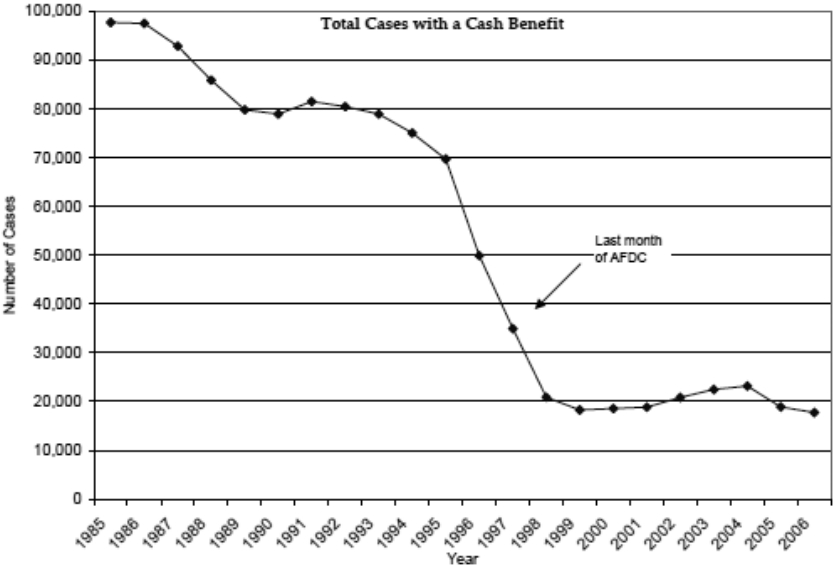
Not only do we see welfare converted to a large money making industry but the method by which money is generated may also cause one to pause. Helping those in need does not generate profit, but under W-2 there is in fact a range of economic incentives. Individual service workers receive bonuses and contracted employers receive cash benefits based on shrinking the rolls. The general argument is that workfare is designed to transition welfare mothers from the status of welfare dependency to labor self-sufficiency. However, the underside of this story, in the shadows of W-2 policy, lurks a hidden, yet effective, strategy for extracting labor and profit from these mothers without reciprocation. The consequence of mandated community service along the W-2 ladder prevents clients from gaining skills from upper mobility and education possibilities, and it relegates these women to reserve labor force status. Ulti-

87. *Administration of the Wisconsin Works Program by Maximus, Inc.*, WISCONSIN.GOV, <http://legis.wisconsin.gov/lab/reports/maximus.pdf> (last visited May 24, 2012).

mately, women can remain stuck on the community service rung of the ladder throughout their tenure with W-2, while the agencies benefit and profit from the numerical existence of W-2 mothers on the roll. This subtle approach encourages welfare to be solely an initiative to eliminate the rolls without any concern for skill building. The following figure may not entirely speak for itself, but says volumes about the gross shift in the approach to welfare based on the rapid decline in the rolls after the rise of the for-profit paradigm.

FIGURE 3: TOTAL AFDC/W-2 CASES WITH A CASH BENEFIT.⁸⁸

Source: Department of Workforce Development & Department of Health and Family Services



88. KIM SWISSDORF, KATE MAGUIRE & MARLIA MOORE, WISCONSIN LEGISLATIVE FISCAL BUREAU, INFORMATIONAL PAPER 46: WISCONSIN WORKS (W-2) AND OTHER ECONOMIC SUPPORT PROGRAMS 43 (2007), available at <http://legis.wisconsin.gov/lfb/publications/Informational-Papers/Documents/2007/46.pdf>.

The above figure reveals that in the state of Wisconsin, there were close to 100,000 participants in AFDC in 1985.⁸⁹ When Maximus was awarded a contract to administer W-2 in 1997, there were approximately 35,000 participants in W-2.⁹⁰ In just a year, a little less than forty percent (approximately 20,000) of the participants were no longer participating in W-2.⁹¹ While the general goal of W-2 at its inception was to get people off the welfare rolls, the for-profit approach enhances that agenda because increasing the revenue of private companies on the backs of the poor is not perceived as being wrong. Instead, agencies highlight that somehow the business of welfare is to eliminate welfare recipients, shrinking the rolls is profitable, and the “end of welfare as we know it” is a public good. In this context, profitability has shifted the welfare agenda from the realm of serving citizens to the realm of marketing to consumers (both the state and potential work sites).

This process of de-centralization could potentially provide an unprecedented amount of intimacy and interaction between recipients’ needs and the service providers. The structure of W-2 in Milwaukee County can easily be understood within a pro-capitalist model of governance. Here, there is great potential to establish a direct correlation between the performance efficiency of the service provider—the agency and legion of FEP workers—and a corollary generation of revenue. Yet the monopoly framework of the zone paradigm does not operate within the principles of a free market, where capitalism dictates that efficiency and productivity are generated by choice and competition. There is an almost feudal system here, where the service provider has sole domain over a zone, eliminating the possibility for client choice and hence dismantling the infrastructure for competition that would ideally maximize service efficiency.

Undoubtedly, there may be arguments that if clients are allowed to utilize any agency they choose, some agencies would have an overload of clients due to superior service, while others may not have enough. However, if there were truly a free market system, then those agencies that lose clients would be required to be more efficient and competitive. The way in which Milwaukee County’s W-2 program is organized, efficiency and competition are, in fact,

89. *Id.*

90. *Id.*

91. *Id.*

discouraged. Allowing W-2 providers to purchase a monopoly⁹² in a particular region not only discourages provider competition and client choice, but it also allows W-2 regulations to be arbitrarily applied and arbitrarily interpreted, thus producing a lack of clarity and uniformity in program administration.

Additionally, Milwaukee County has the highest W-2 caseload in the state of Wisconsin.⁹³ With only five zones of services, there is no doubt that caseloads are invariably high. While verification of a particular caseload limit was unavailable, FEP indicated that at times a FEP worker could have over 200 active clients and another 200 to 300 clients that were simply receiving case management services. The implication of a high caseload translates into a mechanization of services, including high caseloads, little time, no quality consistency, and perhaps a lowest common denomination approach to service. One of the end results is that the clients are not just subject to the whims of a hostile labor market, but they are also subject to the travails of a callous workfare system. Here, overburdened FEP workers provide an arbitrary dissemination of information, which results in limited access to a wider range of aid and assistance, further reinforcing the working poor status of the women on W-2. The perfect storm of misinformation, roll reduction incentives, zone monopolization, and discouragement of skill building converts service provisions into big business, a shadow market with little oversight and high profit margins.

Despite the renewed focus on independence in the workfare era and a renewed interest in self-help, women in this study maintain that W-2 has thrown them into a world of privatized service provisions where self-sufficiency translates into entering the ranks of the working poor, where the only opportunities for work resides in shadow labor. At its inception, W-2 was interested in moving mothers out of the public welfare state and into the private sphere of work, any work, so long as the mother was earning a wage. While it must be recognized that in many cases mothers who move off of welfare and into the workforce do achieve a modest increase in economic sustainability, more often it is the case that mothers

92. While W-2 agencies are limited to two three-year contracts at a time, they have the first right of refusal for renewal of the terms of the contract. See *Wisconsin Works (W-2) and Related Programs Contract 2006-2009*, WIS. DEP'T CHILD. & FAMS., <http://dcf.wisconsin.gov/w2/contracts/20062009/default.htm> (last updated Dec. 23, 2010).

93. ANDREA ROBLES, FRED DOOLITTLE, & SUSAN GOODEN, COMMUNITY SERVICE JOBS IN WISCONSIN WORKS: THE MILWAUKEE COUNTY EXPERIENCE ES-1 (2003), available at <http://www.mdrc.org/publications/344/execsum.pdf>.

move into the workforce arena only to make salaries which are equal to their previous welfare payments or in some cases significantly less, without the same health or childcare benefits.⁹⁴ In this particular study, many of the mothers expressed frustration with the lateral and many times downward move from public benefits to private wages. By way of example, Cynthia, who transitioned from AFDC to W-2 in 1997 and remained on W-2 until her time limit expired, has this to say:

I don't mind working, but if I'm gonna work I want to make more money than AFDC or W-2 would give me or else what's the point. Why should I go out and bust my back for less than \$6 dollars an hour at some place like Burger King and they only give me 20 hours a week and I have to feed my children. That don't make no sense. It's not like I don't want to work . . . [you might think that I'm just] lazy and I just don't want to work, but that is not the case, I don't want to be no slave for nobody—I don't have no lot of kids, I don't just go get pregnant for no check, but I do have kids and they are here and it ain't their fault. I am not trying to get rich off welfare, but damn, I ain't trying to stay poor either. W-2 sending me out to work and it seem like I ain't making hardly no money at all. This job don't want me and they damn sho' don't want to pay me nothing. All us mothers out here who strugglin' on welfare and W-2 and now that we have to work, we still struggling, cause it's not enough money and in my case it's less. I need help, not a hand out but a real job, where I can feel proud of myself to go to work, where I can get things my kids need and things that they want sometimes too. I need a real job to make real money so I don't have to live here in this neighborhood, but between that little old job I have and W-2 this is all I can afford. W-2 ain't really helped me cause I am still po' [*laughing at this last statement*] and as long as I'm on W-2 I think I'm gone stay poor.⁹⁵

Here, Cynthia expresses the sentiment of many mothers who participated in the study. She powerfully encapsulates what can be called the paradox of self-reliance so romantically tied to the world of wage labor. On the one hand, the W-2 system dictates that women must get off the rolls and work, and in fact women want to do just that. But on the other hand, there are competing understandings of what self-reliance means. Welfare officials relegate these

94. See generally JOEL F. HANDLER & YEHESEKEL HASENFELD, *WE THE POOR PEOPLE: WORK, POVERTY, AND WELFARE* (1997).

95. Interview by author with Cynthia, a W-2 recipient (2005).

women to the arguably most visible sign of self-reliance: working for wages. But the women understand that self-reliance must be connected to sustainability. In the end, legions of women working *with* wages but *without* self-sufficiency provide a poignant evaluation of the transition from welfare to workfare.⁹⁶

IV. PROFITS INDUCE PRESSURE TO PERFORM

FEP workers are also exposed to a set of undue pressures. If their professional goal is to clear cases (which in the privatized era no longer means to solve mothers' problems), then they are evaluated in their job performance based on how many mothers they get off the welfare rolls. A FEP worker confirms:

So as you can see there is a lot of pressure to clear those cases, at least if I want to keep my job and keep getting those bonuses [*laughing*]. I like the bonuses, but no seriously. I try to help people, but if there is any indication that this person should be at least trying on their own, I think that they are job ready, that there is really nothing we can do for them. As a person I feel bad because I can understand sometimes where they are coming from, but at the same time, I have a job to do. You can see how this could be stressful, I have one devil at one end telling me I have to, well not directly, but making me feel like I have to get my case load down and I know I have to get it down. And I have a devil at the other end, begging me to give them an extension or not to sanction them or whatever. Sometimes I go home at night and I don't want to hear a word from anyone.⁹⁷

While this study does not suggest that there were conspiratorial practices afoot in any W-2 agency, one can intuit that FEP workers were at least encouraged to remove women from the financial support categories on the W-2 ladder and into the job ready status. This pressure was revealed in the possibility of bonuses that could be reaped at the end of the fiscal year or at least the security of employment for quality FEP job performance. Therefore, it would seem that keeping women suppressed generates profits. Unsurprisingly, not only did the FEP workers in this study reveal the complexity of the pressures associated with finding appropriate placement for the W-2 participants, but also the W-2 mothers reflected on their frustrations with these over-worked FEP workers:

96. See generally JENNIFER MITTELSTADT, FROM WELFARE TO WORKFARE: THE UNINTENDED CONSEQUENCES OF LIBERAL REFORM, 1945-1965 (2005).

97. Interview by author with FEP worker (2005).

Every time I go and see my FEP, she is in a bad mood well she is in one to me and she always asking me if I found a job yet—there ain't no jobs and the more she keep asking me ain't gonna make me have a job. I believe that that's all they want to do is to put us in these jobs cleaning toilets and stuff and that's it so they can keep that money. There was this big scandal with this one agency so I know they get to keep that money. Every time, I am telling you she asks me if I been looking for a job as if that's all I have to do I mean I do look for a job, but no one trying to hire me except if I want to clean they toilet or work in a nursing home wiping someone's ass and my baby out of diapers so why do I want to do that for. You see they have lots of cases too, so they just want to get rid of some of us, but until I find a job that's good for me and good for my you know my life you know what I am trying to say then I am going to stay on W-2 until I can really find something and I wish she quit asking me if I have a job cuz I don't.⁹⁸

This statement reveals that W-2 participants were not immune from the profit margin pressures associated with decreasing the numbers of enrollees in W-2. In fact, W-2 clients become unwitting participants in their own demise. The very fact that W-2 participants have a difficult time navigating or receiving help within the W-2 industry is the condition upon which W-2 as an industry measures success. FEP workers are encouraged to reduce their caseloads. It goes without saying that higher caseloads could produce inefficient work product. Therefore, it would make sense to attempt to move W-2 participants into self-sufficient positions or at least make it difficult for mothers to gain access to resources that may discourage a more efficient path to job readiness or resources that more effectively diminish the profit margin of a contracted agency. However, there are consequences when welfare becomes a private institution whose profit is generated by moving women off the rolls. Not only is the quality of life of W-2 mothers removed from the rolls at stake, but also the quality of services provided to the remaining W-2 mothers by stressed FEP workers. The mediating function between FEP workers and W-2 clients continues to be a supply and demand relationship that rests on the issue of need. However, amidst a privatization of the welfare system, the very terms on which need is defined have shifted from the everyday survival and upward mobility of clients, to the job security of FEP workers and the downsizing of social possibility for everyone involved. In the end, FEP workers, alongside—most centrally—cli-

98. Interview by author with Special, a W-2 recipient mother (2005).

ents, must take the complicated, messy, and uneven realities of their everyday lives and convert them into commodities that can be deemed profitable for what has become a welfare industry.

V. COMMODIFICATION OF NEED

In a free market capitalist system, all social relations take on a commodity value.⁹⁹ When welfare services become privatized, that free market gives them meaning. However, because the government to a certain extent is still involved in regulation, in reality, welfare services are placed in what is called a mixed market—one where there is a mixture of private and governmental control of the product or service that has been commodified.¹⁰⁰ In any case, commodification of services transforms welfare benefits into what the participants refer to as “labor for sale to the highest bidder.” According to Naomi:

This system is all messed up. You have people out here hustling trying to make ends meet and W-2 don't care. In the beginning when everyone knew what the hell they were doing, I guess there were or it seem like there were more opportunities, but now no one knows what the hell is going on too many ex-W-2 workers as FEP workers and it seems to me that labor is for sale to the highest bidder no matter what your skill level is. I have been in this CSJ for damn near the end of my time and it is not an advantage for them to put me in a regular job because then they don't get

99. The basic premise emerges from Karl Marx's general theory of commodity fetishism, which argues that in capitalist societies social relationships are transformed into seemingly objective relationships between commodities or other forms of market exchange (i.e., currency). However, later scholars have also explored the subjective nature of class as a mode for explaining capitalist social relations, generally arguing that the intersectional influence of gender, race, and sexual standpoints do not simply inform, but equally give meaning to, the commodity form within capitalist social relations. See Arjun Appadurai, *Commodities and the Politics of Value*, in *INTERPRETING OBJECTS AND COLLECTIONS*, 76, 76 (Susan Pearce, ed., 1994). See generally ANGELA DAVIS, *WOMEN, RACE, AND CLASS* (1983); RODERICK A. FERGUSON, *ABERRATIONS IN BACK: TOWARD A QUEER OF COLOR CRITIQUE* (2004); CEDRIC J. ROBINSON, *BLACK MARXISM: THE MAKING OF THE BLACK RADICAL TRADITION* (1983); JOAN WALLACH SCOTT, *GENDER AND THE POLITICS OF HISTORY*, (Rev. ed., Columbia University Press 1999).

100. A mixed market economy is defined as “[a]n economy in which a substantial number, though by no means all, of the activities of production, distribution and exchange are undertaken by the government, and there is more interference by the State than there would be in a market economy. A mixed economy thus combines the characteristics of both Capitalism and Socialism.” See *THE NORTON DICTIONARY OF MODERN THOUGHT* 534 (Allen Bullock & Stephen Trombley, eds., 3d sub. ed. 1999).

paid as long as I am here because they can't say I am job ready so as long as I am here they get paid.¹⁰¹

As this participant reveals, the very needs of W-2 recipients are also a commodity and subject to be sold in the mixed market like any other product or service. This translates into FEP workers establishing certain *need* matrices—where they do not look at the individual recipient, but they convert the individual person's experience into distinct and discreet parts to fit in the matrix.

If the actual needs of the recipient do not meet the matrix then the recipient has to mold her need to make herself more commodifiable or translatable within the W-2 market system. The reality of this mixed market system is that the market exists to benefit the private agencies and not the welfare recipients themselves. This approach is revealed through a number of avenues, such as the monopoly of services by single agencies and the establishment of the low-skilled working poor brand. When the recipient has reached their twenty-four month time limit, they are booted out of the program.¹⁰² If they have secured employment, then the W-2 program has done its job and the private industry wins. However, if they have not secured employment, the private industry still wins because they reap the contractual windfall of removing yet another person from the program.

I am going to tell you the truth, it is hard out there. I have tried to find a job and I look on the computer and in the newspaper. But no one does not want to hire me. I am not saying it's racist or discrimination, there are just no jobs out there for us, it is too many of us and not enough jobs. But what I don't understand though is how are all these Maximus and Y works and OIC still in business if they can't find no job for me.¹⁰³

This woman is demonstrating the ill-effects of what can be understood as the development of a reserve labor force, where we see a glut in a specific worker population that overwhelms the number of relevant jobs available in the labor market. However, many scholars conclude that such a ratio is at best an anomaly within the nature of economic markets.¹⁰⁴ Is this the case here when we have

101. Interview by author with Naomi, a W-2 recipient (2005).

102. *W-2 Manual*, *supra* note 43, at ch. 2.10.3.

103. Interview by author with Jones, a W-2 recipient (2005).

104. For an insightful discussion on this topic see generally GRACE HONG, *THE RUPTURES OF AMERICAN CAPITAL: WOMEN OF COLOR FEMINISM AND THE CULTURE OF IMMIGRANT LABOR* (2006); ALTAGRACIA ORTIZ, *PUERTO RICAN WOMEN AND WORK: BRIDGES IN TRANSNATIONAL LABOR* (1996); ANDREW ROSS, *NICE WORK IF*

public/private partnerships creating companies to produce this reserve labor force? Are we in fact compelled to entertain the possibility that these current economic relationships are not an anomaly, but at some level intentional? Whatever the case may be, the current W-2 program is producing a laborer without a labor market. To be sure, if welfare were still held under the authority of the public, a reserve labor force would still be produced. But what is significant about the emergence of W-2 is that it produces not simply a reserve labor force, but a whole new industry where public resources are being transferred into private hands. The focus here should not only be on the laborer but it should draw attention to the state's production of a new capitalist: the workfare agency and their relationship to the shadow market.

In the end, the commodification of need is simply the final stage, a consequence of the larger privatization of welfare as a social institution. In the current shift from welfare as a social agency to welfare as a private industry, the idea of efficiency replaces equality, profit replaces need, and consumer branding has all but overwhelmed the meaning of citizen rights. It is not that the participants in this study do not want to work or even that the FEP workers do not want to help, it is that such interests are fact antithetical to the now established market logic of simply and completely getting women off the rolls and the profits generated by that ethos.

On paper the push to privatization seems productive, cost-effective, and even potentially lucrative. The idea that marketplace competition models can stem the tide of a bloated, costly, and ineffective governmental bureaucracy makes sense (and perhaps even dollars). However, the women in need are lost in the financial spreadsheets. Their stories in fact reveal the both intended and unintended pitfalls of a for-profit approach. In the end, we must ask ourselves, when it comes to our citizens in need, do we want to associate the "best" solutions with the "cheapest" service?

YOU CAN GET IT: LIFE AND LABOR IN PRECARIOUS TIMES (2009); JENNIFER G. SCHIRMER, *THE LIMITS OF REFORM: WOMEN, CAPITAL, AND REFORM* (1982); Fred Magdoff and Harry Magdoff, *Disposable Workers: Today's Reserve Army of Labor*, MONTHLY REV. Vol. 55, No.11 (April 2004), available at www.monthlyreview.org/0404magdoff.htm; Elaine McCrate, 'Hitting Bottom': Welfare 'Reform' and Labor Markets, DOLLARS & SENSE (Sept./Oct. 1997); Alan Finder, *Evidence is Scant that Workfare Leads to Full-Time Jobs*, N.Y. TIMES, Apr. 12, 1998, available at <http://www.duke.edu/~ldbaker/clipings/ny-workfare.html>.

CONCLUSION

With our inheritance of this cost/benefit legacy in mind we need to begin thinking about how to recreate the framework for providing public services. The community service component of W-2 and its actual function powerfully demonstrates how W-2 mothers have become a reserve labor force. But at the same time the contours of W-2 make reserve labor status profitable, not for the mothers, but for the sub-contracted agencies. The relationship between W-2 mothers, the status of community service, and the position of sub-contracted agencies have generated a shadow market as a consequence of welfare privatization. The ways in which these women are held captive to a world without work, a world without skill building, and limited ways out become the grounds upon which sub-contracting agencies generate profit. Under the shroud of “cost effectiveness,” private agencies are reaping the financial windfall of “pimping” the state based on their ability to market their skills at converting welfare mothers into low-wage workers.¹⁰⁵ What will be the ultimate cost?

105. In 2001 five agencies controlled the W-2 zones in Milwaukee County. Employment Solutions was paid over 93 million dollars, OIC was paid over 50 million dollars, UMOS was paid over 39 million dollars, YW-Works was paid over 38 million dollars and Maximus was paid over 48 million dollars to provide service to W-2 clients. See DEP'T OF WORKFORCE DEV., AN EVALUATION: WISCONSIN WORK'S (W-2) PROGRAM, (Apr. 2001), available at <http://www.legis.state.wi.us/lab/reports/01-7full.pdf>. According to Wisconsin Fiscal Audit Bureaus Report in 2001, spending on welfare increased by over 150 million dollars from 1986 to 2001. Profits received by W-2 agencies totaled over 65 million dollars. *Id.*

