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The developing workfare policy in Australia: a critical assessment

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Abstract

This article considers the origins, application and implication of work for unemployment benefit programs in Australia. Such programs have evolved in Canada, USA, Britain, Australia, and New Zealand over the past decade. The reasons for the development of such programs and the nature of the programs in Australia are outlined. The schemes operating in Australia are then critically examined in terms of a range of criteria including human rights and their ability to generate successful transitions into full-time employment. There are wider labour market issues to explore. Namely whether workfare programs are purely a means of enforcing reciprocal obligations upon the unemployed or whether they do generate market skills that improve the chances of transition from unemployment into employment. In this context the nature, access, duration and post-program experience of the workfare programs in Australia will be explored. © 2000 Elsevier Science Inc. All rights reserved.

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1. Introduction

In the past decade, there has been an evolution in the thinking about the role of the welfare system in Australia, particularly the rights and obligations of persons receiving unemployment benefits. In the post-war period, there was bipartisan support for open-ended income support for the unemployed in the form of benefits, along with publicly funded employment

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services. These principles survived the significant rise in the unemployment rate in the early 1970s, and the sustained high rate of unemployment over the last two decades.

In 1994, in response to a rate of unemployment in excess of 10%, the Labor government published a White Paper, *Working Nation*, in which the notion of the Job Compact was developed. The concept of *reciprocal obligation* between the long-term unemployed and the community was articulated. Income support payments were no longer a right but were now made conditional upon participation in employment programs. These programs signified the shift in emphasis from passive income support to active integration of welfare and labour market programs. This principal has subsequently become the cornerstone of unemployment welfare in Australia.

From 1996 to 1999, the conservative Coalition Government radically reformed the program of employment assistance for the unemployed. The new arrangements were to be funded by scrapping most of the previous Labor Government's active labour market programs. In addition, there was the introduction of *Work for the Dole* legislation in 1997, which embraced the concept of *mutual obligation*. This legislation provided the opportunity for community organisations to tender for project funding, based on utilising the services of unemployed 18–24 year olds for 6 months. These young unemployed people would continue to receive the unemployment benefit. This program was subsequently expanded in 1998 and 1999 to include all unemployment benefit recipients under 35 years of age.

In this paper, we outline the development of unemployment programs in Australia over the post-war period, with particular reference to the *Work for the Dole* program. The obligations of the providers of *Work for the Dole* are analysed along with the ramifications for human rights arising from a program in which receipt of unemployment benefits is conditional on work. We explore whether this program will improve the chances of the (long-term) unemployed securing ongoing employment, thereby improving the functioning of the labour market. In this paper work for the dole, the term used in Australia, can be regarded as being equivalent to the North American concept of workfare. However, there are differences across countries in terms of the operation and application of workfare systems (Peck, 1996).

2. Historical background

The post-1945 period in Australia was characterised by full employment. The commitment to this objective was articulated in the Labor Government's 1946 White Paper. It was also manifested in a rudimentary labour market safety net consisting of two components: an income support or unemployment benefit and a publicly funded employment service. As in Britain, the welfare state was based on the presumption that the government could maintain full employment, whilst at the same time, provide a universal safety net for those unable to participate in the labour market (Watts, 1987). From 1945 to 1970, these arrangements were viable and sustainable, and received bi-partisan political support. Unemployment was low and the duration of unemployment was very short, so that the existence of unemployment benefit was not a policy issue over this period. The public employment placement service (Commonwealth Employment Service) functioned largely to assist the needs of employers in

Table 1

Unemployment: average rate, average duration, and percentage in long-term unemployment (over 52 weeks), Australia, 1969–1999

August	Unemployment rate (%)	Average unemployment duration (weeks)	Percent of unemployed in long-term Unemployment
1969	1.5	7.4	—
1974	2.4	6.5	—
1979	5.9	28.4	17.8
1984	8.5	45.5	31.0
1989	5.7	44.5	22.6
1994	9.2	50.2	36.4
1999	7.2	52.2	29.3

Source: R. Foster (1996); Australian Bureau of Statistics. The Labour Force. Catalogue 6203.0.

the light of labour shortages. Consequently, outlays on labour market programs and income support for the unemployed were negligible (Jones, 1983, p. 196).

There were four other important features of the Australian unemployment support program which make it stand out from other systems, such as that in the USA. First, the duration of the benefit was open-ended; so that there was no limit to the time-period of benefit receipt, since benefits were seen as an income safety net in the context of a full employment economy. Secondly, the income support system was equitable because entitlements were not dependent on prior employment or differentiated in terms of previous earnings. Other than adjustments for need according to the number of dependents, each recipient received an identical benefit. Thirdly, benefit access was means tested, generating a strong gender bias in access to benefits. Four, the benefit system was national, with no state or regional differences in administration and application.

The rise in unemployment in Australia from the mid-1970s to the mid-1980s was accompanied by an increasing average duration of unemployment (see Table 1). The Labor government raised the support payments in 1975 that had exhibited little change for over a decade (Jones, 1983). This was in response to the new post-1945 phenomena of increasing and persistent unemployment. Before the 1970s, unemployment was regarded as a temporary phenomena in a labour market with excess demand for labour, hence support for the unemployed was quite modest. Public expenditure on unemployment benefits increased from \$8.8 m. in 1970 to \$925.2 m. in 1980 (Jones, 1983, p. 196). Further, it was recognised that special labour market programs were required to address the employment needs of disadvantaged groups and regions, and to boost job creation. A cycle of ad hoc adjustment and experimentation with labour market programs began and has continued to the present. A large number of over-lapping and competing programs emerged, many cyclically dependent and related to election timing. The result was large fluctuations in the expenditure commitment to the unemployed and labour market programs (Commonwealth of Australia, 1985; Commonwealth of Australia, 1993, ch. 5).

At the same time, the fundamental function of unemployment benefits as an income safety net was retained, but with modifications. In 1991 the unemployment benefit became a *Job*

Search and Newstart Allowance (Pixley, 1993, p. 218), and in 1998 the unemployment benefit was abolished for youth aged between 15 and 18 years and replaced by a Common Youth Allowance. An active employment strategy was introduced in 1991 and required that claimants enter into case management (formally known as *Newstart*) agreements. This entailed claimants negotiating with the authorities with regard to specific, suggested activities that they would carry out in return for their welfare payment; for example, joining a training course and applying for a certain number of jobs.

In 1993, responding to a policy-induced collapse of the labour market (Gruen and Grattan, 1994), the Labor Government published a Green Paper on unemployment. A comprehensive policy program of economic growth, training, employment placement and job creation was outlined, which aimed to reduce the unemployment rate from 11 to 5% over a 6-year period. A central policy development contained in the subsequent White Paper, 'Working Nation' (Commonwealth of Australia, 1994), was the job compact which embodied the concept of *reciprocal obligation* between the long-term unemployed and the community. The key elements of that program were (Crean, 1997, p. 293):

- Active case management of the unemployed;
- A job guarantee for the long-term unemployed;
- A youth training program for 15–17 year olds;
- The introduction of a national training wage;
- Greater targeting of labour market programs; and
- An increase in entry level training placements

The obligation of the State extended beyond income support, to the provision of guaranteed jobs of at least 6 months' duration in the last resort for the long-term unemployed. In return for this guarantee, the unemployed had to agree to the placement offered or lose their benefit. The job was to be provided on a full-time basis, with guaranteed minimum wage payments, and was linked to training.

The significance of this development was that it articulated the concept of *reciprocal obligation* for the unemployed. Income support payments were no longer a right but were now made conditional upon actively seeking work, accepting reasonable offers of training and accepting reasonable job offers. While eligibility conditions and criteria had altered over the preceding decade, including tougher work and means tests (work tests were replaced by activity tests in 1990), these changes were carried out as part of an approach that stressed the equity and effectiveness of the support benefits. There would be, in effect, an implicit transaction between the long-term unemployed and the State.

The underlying theoretical assumption was that the constraint on reducing unemployment was largely structural, so that the first objective was to reduce the Non Accelerating Inflation Rate of Unemployment (NAIRU). Given this context, passive income support for the unemployed was replaced by the integration of the benefit system with active labour market programmes (Langmore and Quiggin, 1994, p. 158).

Unemployment benefits were no longer to be regarded as open ended in terms of duration; likewise, long-term unemployment was identified as being unacceptable to the State. For the first time the State provided a guarantee of employment, albeit to a limited constituency of

Table 2
Summary labour market statistics, Australia, 1978–1999

Labour market measures as at February	1978	1983	1988	1993	1999
Unemployment–vacancy ratio	13.4	44.4	10.4	35.0	8.5
Part-time employment ratio (%)	14.8	17.0	19.0	22.6	26.0
Part-timers who want to work more hours (%)	13.5	19.9	19.9	30.3	23.1
Unemployed who want full-time work (%)	83.1	87.3	80.1	84.1	73.4

Source: ABS, *The Labour Force*, Cat. No. 6203.0.

the unemployed. The cut-off point for participation in the Job Compact was an unemployment duration of greater than 18 months. There were no age specifications, but in practice the scheme was biased towards older-age males who made up the bulk of the long-term unemployed (Burgess et al., 1999). It is also significant in the context of more contemporary developments that the jobs provided were full-time jobs paying award wages. They were engaging in waged work, rather than working in lieu of unemployment benefits.

These initiatives by the Labor Government must be seen in the context of a secular deterioration of the labour market over the past two decades. Except for the boom over the late 1980s, when the Labor Government tightened policy too late, the unemployment rate has ratcheted upwards since mid-1975. In addition there has been a systematic increase in the incidence of unemployment of more than 6 months' duration (see Tables 1 and 2). Long-term unemployment (1 year or longer) is now entrenched, with its share of total unemployment attributed to long-term unemployment being 30%. The rise in the mean duration of unemployment has been accompanied by a more unequal distribution of unemployment by duration, as measured by the standard deviation. Not only has the unemployment rate increased since the mid-1970s, but, in addition, the part-time share of employment has increased significantly, which has been accompanied by a long term rise in the percentage of part-time employees who seek more hours of work (see Tables 1 and 2). When account is also taken of the hidden unemployed, the extent of the underutilisation of labour resources is significantly understated by the official unemployment rate (Mitchell and Watts, 1997).

Despite this deterioration of the labour market, both income support for the unemployed and labour market programs have been under a sustained attack over the last decade on the grounds of being wasteful and ineffective. Anecdotal evidence has been used to demonstrate the work-shyness on the part of the unemployed that has accorded with the perceptions of some members of the community (see Bainbridge, 1997). Some neo-classical economists have stressed that labour market programs are costly and ineffective (Sloan, 1993; Sloan and Wooden, 1992) and that unemployment benefits reduce work incentives and promote welfare dependency (Moore, 1997). In keeping with the supply-side sentiments of these analysts, it has been claimed that unemployment would be reduced through wage cuts, increased labour market flexibility, deregulation of the industrial relations system and restricted access and duration for unemployment benefits (Moore, 1997). These views have been influential in the development of current Coalition government policy and institutional arrangements towards the unemployed, to which we now turn.

3. Labour market policy under the Coalition Government, 1996–1999

In March 1996, the Coalition was elected to office. It promised to reduce unemployment and to place the unemployed in “real jobs.” In addition, it proposed a program of fiscal consolidation aimed at entrenching a permanent surplus budget outcome in order to reduce government debt and increase national saving (Burgess et al., 1998). Reforming the industrial relations system, namely facilitating decentralised and non-union bargaining, and curbing the operations of trade unions, were high priority areas for the government. Priority was given towards reducing youth unemployment, whilst the maintenance of funding for special labour market programs was promised (Burgess et al., 1998). Overall, the Coalition asserted that its program of structural reforms to the labour market and industrial relations systems, together with the program of microeconomic reform and fiscal consolidation, would induce an expansion in private sector investment and employment (Burgess et al., 1998).

Since its election, the Government has enacted the most radical transformation of labour market policy since 1945. First, employment placement has been privatised and corporatised. The Commonwealth Employment Service, in operation for over 40 years, and providing information and placement assistance to all job seekers, including the unemployed, was abolished in 1997. In its place a privatised system was put in place with an array of competing job services providers being selected through a tendering process (Biddle and Burgess, 1999). Second, expenditure on labour market programs has been significantly reduced (Commonwealth of Australia, 1997). Third, the *Work for the Dole* scheme has evolved to be one of the cornerstones of labour market policy. The unemployed have been given citizenship and community obligations, unlike any other group in the community receiving either welfare or public sector assistance, such as tariffs, subsidies, tax concessions, price stabilisation measures, production subsidies and age pensions. Finally, the industrial relations system and process has been extensively transformed (Campbell and Brosnan, 1999). Decentralised bargaining has replaced centralised bargaining. A system of minimum entitlements known as awards has been successively eroded. Third party intervention in industrial relations, the unique Australasian process of conciliation and arbitration, has given way to collective bargaining. Collective organisation and rights has given way to individualism and individual work contracts (Campbell and Brosnan, 1999; Burgess et al., 1999).

Within the context of the OECD Job's Study blueprint for reducing unemployment, Australia, along with New Zealand, has gone further down the path of neo-liberal policy reforms than any other OECD economy (OECD, 1999).

4. *Work for the Dole* developments

In March 1997, legislation formally known as the *Social Security Amendment Bill* was introduced into the Commonwealth Parliament with the intent to make *Work for the Dole* a reality in Australia. The Bill was designed specifically to remove those legislative provisions preventing recipients from being required to work for their unemployment benefits. Those persons considered eligible for the scheme had been unemployed for at least 6 months, were aged between 18 and 24 years and were not already in case management or a training

program. The hours that these participants were required to work was consistent with earning the unemployment allowance payment and would be calculated 'on the basis of the hourly rates provided under the National Training Wage Award' (DEETYA, 1997). For the purposes of this exercise, these awards were converted to a full-time basis to remove a 20% discount for the structured training component. At these rates, those under 21 years of age would work for a maximum of 24 hours per fortnight whilst those 21 and over could work, at most, 30 hours per fortnight. Participants were allowed to receive an extra \$10 a week to cover additional expenses (DEETYA, 1997).

Under the legislation, the participants in the *Work for the Dole* scheme were not defined as employees and hence would not be covered by worker's compensation, but they would be covered by insurance arrangements purchased by the Department of Employment, Education, Training and Youth Affairs (DEETYA). Participants continued to receive the Newstart Allowance or Youth Allowance. Additionally, they were required to seek full-time work and, unless employed full time, would be registered as unemployed. There was, however, scope for the involvement of some older participants.

In the May 1997 Commonwealth Budget, \$21.6 m. was provided in funding for work for the dole projects to be introduced in 1997–98. \$6.1 m. was allocated to administrative costs, whilst \$15.5 m. was allocated to the work for the dole pilot program. This included \$12.4 m. to community organisations to run the projects and provide essential training and equipment, \$519,000 for child-care costs for participants and \$2.58 m. for the \$10 per week expenses allowance for each participant (DEETYA, 1997).

The Federal Government piloted 178 *Work for the Dole* projects throughout Australia, which commenced in early December 1997 and involved over 10,000 participants. Many communities with the highest rates of youth unemployment received few or no projects with the \$21 million scheme skewed heavily in favour of Coalition regional electorates (McGeogh, 1997).

Minister Kemp claimed that the selection criteria had been considered to make sure that

- Projects would not displace paid jobs,
- Projects would benefit the broad community rather than businesses,
- The work experience be worthwhile for participants; and
- Sponsors continue to support participants when the project ended.

The programs ran for a maximum of 6 months. The Government claimed that the scheme was not designed to save money, replace (undefined) real jobs or manipulate the youth unemployment rate (Burgess et al., 1998).

Whilst the notion of voluntarism was given great emphasis by the Government, it was admitted that some people would be required to 'participate' in the scheme as a condition for continued receipt of their unemployment payments. The scheme was claimed to act as a disincentive for those able to secure employment but unwilling to do so (Pike, 1997). Also, participants would be less inclined to engage in crime or anti-social behaviour and their self-esteem and motivation would be enhanced by their link to the mainstream of social and economic activity (Pike, 1997). By mid-January 1998, the Government was forced to concede that around 40% of the 1400 people involved in work for the dole had been compelled to participate. This did not deter it from announcing a new, more comprehensive

set of initiatives; based around the principle of *mutual obligation* that it saw as underpinning the *Work for the Dole* program.

The principle of mutual obligation was described by Minister Kemp in the following terms:

In return for financial support from the community, it is fair to expect individuals to improve their job prospects, their competitiveness in the labour market or contribute to their local community (DEETYA, 1998; Kemp, 1998).

The obligation to take part in training programs; to undertake voluntary or part-time work for at least 6 hours a week for a minimum of 14 weeks or to relocate in exchange for the benefits is to apply to all 18 to 24 year-olds, once they have been receiving unemployment payments for six months. It commenced on July 1st, 1998. The expansion of this new scheme in July 1998 will be expected to lead to the creation of 20,000 new places, out of 25,000 being associated with the requirement of *mutual obligation*. *Work for the Dole* would provide places for 100,000 participants over the next 4 years at a cost of \$253 million.

With the available places likely to exceed the supply of voluntary participants, many young unemployed workers will have to satisfy their obligation by participating in the other designated activities, but it was announced that young people who live more than 90 minutes commuting time from any mutual obligation activity and for whom literacy and numeracy distance education is not suitable, may be exempt from mutual obligation requirements and thus would not be forced to relocate. Also, the Government would look at locating new *Work for the Dole* projects in areas where the different options were in short supply. Further community projects, due for commencement between August 1998 and February 1999, were sought in April 1998. This is expected to involve about 12,500 participants, around 80% of whom will be aged between 18 and 24, whilst the remaining 20% could be older unemployed people. The May 1998 budget confirmed funding for these projects with \$465 million provided over the next four years to 2001–2002 for a range of measures related to the mutual obligation package.

In May 1999, the Federal government announced that placements in work for the dole programs would be increased from 25 to 50 thousand per year by 2000–01. The target group was extended to include not only the originally targeted 18–24 years age group, but all job seekers aged between 25 and 34 years who had been unemployed for at least 12 months (Reith and Newman, 1999). In addition the government announced that all job seekers would have to fulfill some form of mutual obligation service in exchange for their support benefit (Reith and Newman, 1999). In effect the over 300 thousand persons on unemployment benefits would be participating in a range of activities from job pathway programs through to literacy and numeracy training. *Work for the dole* would be only one component of the web of mutual obligation programs.

5. An assessment of *Work for the Dole*

Mutual obligation has now become a hallmark of the unemployment benefit system in Australia. However, the obligation now rests more firmly on the unemployed. They are

subject to more surveillance, duties, and punitive measures than previously, including the requirement that they keep a dole diary. The means testing of benefits and tighter eligibility criteria indicate that Government sees recipients as burden to the public (Pike, 1997). Unlike the *Job Compact*, the unemployed do not receive a guaranteed full-time job at award rates of pay funded by the State, but are required to perform a range of specified activities in exchange for the unemployment benefit. The distinguishing feature of the work for the dole component is that it sanctions an exchange of part-time work for the welfare payment. For the Government the marginal costs of the *Work for the Dole* program are significantly less than the *Job Compact*, since they are no longer paying the unemployed for full-time employment, indeed unpaid employment is exchanged for the unemployment benefit payment. The capacity to exploit the program is likely to reduce the commitment of the Government to create real jobs with the opportunity for training and skill acquisition.

Unlike the *Job Compact*, the new *Work for the Dole* program applies predominantly to youth, rather than to the long-term unemployed. The *Job Compact*, by targeting the long-term unemployed, in effect targeted older adult males, the largest component of the long-term unemployed (Junankar and Kapuscinski, 1998). The *Work for the Dole* program initially targets youth, the group with the highest unemployment rates, but the lowest unemployment duration (Biddle and Burgess, 1998). In addition, unemployed benefit recipients are treated differently than non-benefit recipients with respect to the costs of utilising employment services.

In effect unemployment benefits are no longer a right, but have now become part of a system of duties. The Coalition Government has attempted to exploit the apparent divergence of economic interests between households funding pensions and the recipients of benefits. It also isolates one form of state assistance and one group of recipients and treats them entirely differently from other forms of state assistance and other recipients. The large range of subsidies and tax concessions applying to business attract no form of conditional obligation or consideration of any reciprocal contribution to the community. *Work for the Dole* has been described purely as a political gesture to appease commonly held prejudices about unemployed youth (Grattan, 1997).

Burgess and Mitchell (1998) argue that an empirically based, experiential notion of human rights suggests that governments are violating the right to work by refusing to eliminate unemployment via appropriate use of budget deficits. They show that unemployment is not compatible with fundamental human rights in that unemployment denies those affected access to income and hence participation in markets, it reduces the opportunity for advancement and stigmatises those affected, and violates basic concepts of community participation and citizenship. Without the right to work, afflicted individuals are denied citizenship rights as surely as they were denied the right of free speech or the right to vote. As long as employment is not considered to be a human right, a portion of the community will be excluded from the effective economic participation in the community.

Burgess and Mitchell (1998) argue that the right to work in the form of paid full-time (or fractional) employment should be guaranteed by the State and be legally enforceable in the same way as other rights. Further they argue that citizens should have a choice as to the type of work undertaken; be paid adult minimum rates of pay and be accorded the same rights and conditions that are associated with full-time employment (or pro-rata in the event of

part-time employment), notably holiday and sickness benefits, a safe workplace and protection against unfair dismissal. In a similar vein, Article 23 of the Universal Declaration of Human Rights states that: “Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment,” along with “everyone . . . has the right to equal pay for equal work” and “remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.” Furthermore, “Everyone has the right to form and to join trade unions for the protection of his interests.”

Article 25 elaborates on what an adequate standard of living means. In the Section titled “International Covenant on Civil and Political Rights Article 8-3-a states that “No one shall be required to perform forced or compulsory labour . . .”

How does *Work for the Dole* fare in relationship to these principles? First, the participants are not employees and sponsor organisations are not employers. Second, young unemployed persons are required to undertake a particular type of work, without choice and, in the extreme, are forced to relocate in order to sustain benefit assistance. Third, participants are forced to work the number of hours consistent with receiving the equivalent of a part-time wage. Those who are forced to undertake this form of work and even volunteers are likely to be somewhat resentful, when their remuneration for two or two and a half days work a week is the same as the unemployment assistance payments received by non-targeted (non-youth) groups of recipients. Thus the distinction between social security and work has become blurred. The state has determined that, if a low income from employment is not sufficient to ensure “an existence worthy of human dignity,” it pays a supplementary social security benefit. When forcing young people to earn their welfare payment, the state refuses to acknowledge that the equivalent income is insufficient. There is also systematic discrimination between the unemployed on the basis of age. Fourth, *Work for the Dole* participants are not entitled to be members of a trade union. Some may be members of trade union by virtue of previous jobs that they have held. Under *Work for the Dole*, however, there is no opportunity for trade unions to engage in collective bargaining or industrial action because participants are not employees and sponsor organisations are not employers. The jobs and the participants exist in a legal limbo where they do not possess employee or collective rights. Finally, *Work for the Dole* participants do not qualify for any of the non-wage benefits such as holiday leave or parenting leave associated with employee status since they are not employees.

In effect, unemployment has become a market transaction. The unemployment welfare payment is exchanged for a quantum of labour input applied to a variety of activities at a price set by the government. The price and quantity is not standard across benefit recipients. The government can set both the quantity and price of the input. Non benefit recipients are now faced with the prospect of higher costs and charges for job search. Employment search and placement are no longer regarded as a public good that generates positive externalities. These policy developments save money and place greater responsibility and costs on the unemployed, whether or not they are in receipt of benefits. The unemployed are seen to pay for what they receive and the government only has the responsibility of facilitating the market in unemployment welfare and in job search. As the responsibilities of the government diminish, the responsibilities of the unemployed increase.

Can the scheme be construed as an efficient training program designed to assist unemployed workers to obtain real jobs, thereby improving the functioning of the Australian labour market? One theme continually stressed by the federal Government is that work for the dole will promote the development of effective work habits, such as improved motivation and dependability, amongst the young unemployed, some of who may never have experienced work previously (DEETYA, 1998, p. 2). Against this, Leech (1997) argues that working for a community organisation isolates those in the workfare program from links with employed world, which is detrimental to the prospects of the unemployed. The unemployed will spend working time with other unemployed, rather than developing employment networks; that is, contacts with people with jobs and interacting with role models. Rather than the temporary development of a sense of “*esprit de corps*” amongst a group of unemployed, it is important over the longer term to encourage the development of effective paths beyond the milieu of unemployment.

Further, there are two classes of volunteer, those who freely work seeing personal or community benefit and those under threat of loss of income support or under a Community Service Order. The Brotherhood of St. Laurence (1997) point out that the public confusion between various forms of community work could deter the unemployed from volunteering. The community organisation must also incur the monitoring and supervision burden. Volunteering in general may be deterred by the presence of benefit recipients.

The government has defined quality work for the dole projects as those providing: ‘a variety of work experiences; opportunities for applicants to apply their skills and abilities; opportunities to develop new work skills; responsibility and challenges; social interaction within the workplace; interesting and enjoyable activities; and pride in results’ (DEETYA, 1998, p. 3). The issue is whether or not this will serve to make a participant employable in terms of the skills demanded in the labour market, or, whether they effectively will be “matched” with existing or likely future vacancies. There is considerable doubt as to whether the skills gained from undertaking community work through the work for the dole scheme will make any long term difference to the employment prospects of young people.

An examination of the work for the dole sponsor handbook shows broadly the kind of areas within which participants are likely to be involved. These are listed as ‘heritage and/or history; the environment; community care; tourism; sport; provision of community services; restoration and maintenance of community services and facilities’ (DEETYA, 1998, p. 3). There appears to be no attempt to match the aspirations and skills of job seekers either with the needs of sponsoring organisations or with the emerging job opportunities (MacDonald, 1997; Pike, 1997). But further, those skills attained, above any basic work habits, are likely to be specific to the needs of the project and the sponsor organisation, not to the future of the participant. The Workfare scheme must be evaluated in respect of its economic and social outcomes at both individual and community level and compared to outcomes of other labour market programs (Pike, 1997). MacDonald (1997) suggests that voluntary work is a useful activity for some unemployed but should not be compulsory. It is one option in the process linking job seeker aspirations, their skills and personal development with job outcomes, which reflect the tasks that are available. Case management is required to coordinate the process (see also Pike, 1997).

Community organisations typically have limited resources to employ paid staff, which

ordinarily would be funded from government sources, so it is unclear as to whether ongoing employment opportunities will be available. Certainly, the work for the dole guidelines requires a degree of post-program support be given to participants. These are listed in the Sponsor Handbook as assistance in the preparation of resumes, maintaining contact with participants after the completion of the project, providing links with employers, providing certificates of project completion, providing references to participants (DEETYA, 1998, p. 9). This, however, is far from the guarantee of employment.

The Brotherhood of St. Laurence (1997) argue in favour of establishing an agreed set of outcome indicators by which the employment and education outcomes for job seekers involved in the scheme might be measured, and a timeframe for its evaluation. This would best be undertaken by an independent agency that is in a position to provide impartial analysis of the findings. Ideally both long-term and short-term destinations of job seekers some 3 to 12 months after completion should be monitored to assess any enduring impact from participation. Other factors which could be considered in monitoring include type of activity undertaken, total time spent, perceived benefits (including the impact on the self-esteem of participants), expenses incurred, and issues regarding the substitution effects of the scheme.

A central theme of the strategies of employment assistance for the unemployed and *Work for the Dole* is to create real jobs. It is not clear what “real” jobs are—if they are jobs that provide training, employment security, and a career path, then virtually no youth jobs would qualify as real jobs. *Work for the Dole* schemes do not create real jobs, provide participants with marketable skills or reduce unemployment (Biddle and Burgess, 1998). The unemployed require long term jobs with pay and conditions and training and promotion opportunities similar to those already in employment. Only in these circumstances will they overcome the cycle of despair, low self-esteem and a poor work ethic.

The House of Representatives Standing Committee on Employment, Education, and Training agrees. They concluded, (1997, p. 120)

The most significant factor influencing the employment of young people is the availability of jobs. The benefits of economic growth have not transferred into jobs for young people. Many entry level positions have disappeared.

Without sustained job creation relatively high unemployment rates for all age groups will persist. During its term in office, the Coalition Government has largely eschewed job creation and severely pruned the public sector.

One aspect of the *Work for the Dole* programs is that they involve part-time and temporary work. However, the evidence of successful transition of the unemployed from part-time and temporary employment into permanent employment is not encouraging. The evidence for Australia, while incomplete, suggests that there are few successful transitions from temporary and part-time employment for job seekers into permanent and full time employment (Burgess and Campbell, 1998). Table 3 provides some revealing evidence about casual employment since 87% of the part-time jobs were temporary jobs. For job seekers, of those who entered into part-time employment after May 1995 only 26,000 or over 6% were in full-time work in September 1996. For the general population, of 2.585 m. part-time employees, 337 thousand, or 13%, had progressed to a full-time job. More revealing was the

Table 3
Part-time job starts after May 1995, destination September 1996

Destination September 1996	Job seekers	All (m.)
Starts May 1995	419,300	2.585
Same Part-time job	168,100	1.383
Destinations		
Looking for work	145,700	0.295
In full-time work	26,200	0.337
Another part-time job	40,700	0.275
Not in labour force	35,300	0.296
Total destinations	251,200	1.202

Source: Australian Bureau of Statistics, SEUPDATE, (1997).

finding that of job seekers in part-time work, 44% desired a full-time job and 18% desired additional hours, so that only 38% found the part-time status and working hours acceptable.

For job seekers, temporary employment is unlikely to serve as a bridge into a permanent job. They are likely to remain in a (long-term) casual job, or if they move into another job, it is likely to be another casual job. The policy implication is clear, syphoning job seekers into temporary jobs is not in itself sufficient to break the unemployment cycle. Part-time and temporary jobs invariably lead to a recurring cycle of part-time and temporary jobs and very low income status (Burgess and Campbell, 1999). Policy developments such as *Work for the Dole* place an emphasis on work experience and attitudinal conditioning of the unemployed (Biddle, 1998). The view is that a job will provide work experience, training and boost confidence, and allow job seekers to proceed into more secure and better paid employment. The Federal Government's pre-election promise to create "real" jobs (Liberal Party, 1996) for the unemployed looks more and more rhetorical in the face of the characteristics of the new jobs that are being generated. The fragmentary flow evidence suggests otherwise. For job seekers, temporary jobs are unlikely to lead to permanent jobs, indeed, temporary employment is just another form of exclusion and precariousness that encompasses unemployment and income deprivation (Brosnan, 1996). Even the initial assessment of *Work for the Dole* programs (Reith and Abbot, 1999) indicates that 30% of participants were in employment three months after the completion of the program, however, there is no distinction between full and part-time work, and between permanent and temporary work.

Finally, with respect to labour force statistics the *Work for the Dole* participants are an enigma. The Federal employment department claim that since they are not working nor are they employees, the correct status of the *Work for the Dole* participants is unemployed. In contrast the Australian Bureau of Statistics (ABS) claims that since the labour force survey is based on self-enumeration the *Work for the Dole* participants may classify themselves as either employed or unemployed. Since they are receiving an implicit payment for work performed, even though they are not employees, the participants may regard themselves as being in part-time employment. The other interesting aspect of the labour force classification question is that the unemployed who are placed in training and third sector employment programmes could classify themselves as being not in the labour force. The upshot of this is that the *Work for the Dole* program could be used to cloak the extent of officially estimated youth unemployment.

In summary, the benefits associated with skill development under the work for the dole scheme appear to be at best marginal. Given the dependence of community organisations on government funding for paid positions, it is unlikely that work undertaken under the *Work for the Dole* scheme will be the foundation for long-term employment and skill development. *Work for the Dole* appears to be predicated on the view that unemployment arises from individual deficiency rather than demand deficiency. Yet training undertaken in isolation from the realities of the job market is inefficient. In a high employment, high-pressure economy firms have the incentive to train their workers on the job.

Central to the Federal Government's strategy should not be compelling young unemployed workers receiving benefits to compulsory work on the cheap, but rather using their capacity to create jobs as the basis for achieving a high pressure economy. Even with the availability of jobs many unemployed people still require direct assistance and support in locating these positions and in readying themselves to take up such positions. If anything, youth require more extensive and expensive labour market services, not fewer and cheaper labour market services (Fay, 1996, p. 32).

6. Conclusions

In this article, the evolution of the obligations of the unemployed has been documented. Particular reference has been made to the *Work for the Dole* scheme, which was introduced by the Coalition government from 1997 onwards as part of its comprehensive system of labour market reform. Fundamentally these reforms mean that the state now spends less on the unemployed, the unemployed have been singled out for reciprocal obligations to the community and many fundamental rights of the unemployed have been compromised. In addition there are serious theoretical and empirical doubts as to how effective such programs are in securing a transition from unemployment into permanent employment. The development of *Work for the Dole* in Australia represents a redefinition of the role of the state with its relationship with those who are unemployment benefit recipients (Keating, 1998). It severely compromises the human rights of the unemployed and it presumes that supply side solutions can solve the unemployment problem. The system continues to evolve and to be extended beyond youth to other unemployment benefit recipients. If anything, continued fiscal pressure for balanced budgets together with the continuing restructuring of the state in Australia will force unemployment assistance to be subject to further eligibility tests, reciprocal obligations and extended sanctions.

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