

JOB FOR ALL

a road map to a revitalised Australia



Contribution to the
Australian House of Representatives
Employment and Workplace Relations Committee Inquiry

“Paving the way to paid work”

*... an inquiry tackling the need to increase
participation in paid work in Australia*

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Contents

Introduction

- *Ambit Statement*
- *Definitions*
- *The Value of Work*

1. Terms of Reference (1)

- a. Immediate measures***
- b. Real welfare reform***
- c. Full Employment in Australia***
- d. Australia Working***
- e. What do we do while we wait for the bus that never comes?***
- f. Generating jobs***
- g. International models***
- h. Strategies in inter-related areas***
- i. Some helpful publications***

2. Terms of Reference (2)

Introduction

“

How can we have such an urgent concern about the drought – a smaller problem affecting fewer families and children – yet adopt such indifference to the unemployed?

The answer lies in how we construct the problem. We have been repeatedly told that unemployment is the fault of the unemployed. The solution then focuses on making the unemployed “employable” rather than on ensuring there are sufficient jobs. We arraign our most disadvantaged citizens with accusations that they are lazy and unskilled claiming that they could get work if they tried harder or changed their attitude. Meanwhile, we blithely ignore the failure of macroeconomic policy to ensure there are enough jobs available despite the evidence for unemployment as a ‘system failure’ being as compelling as meteorological data showing a lack of rain.

”

“A Drought of Jobs”, Centre of Full Employment and Equity, June 2003.

AMBIT STATEMENT

Two days out from the 2001 federal election, the *Courier-Mail* quoted the Prime Minister as saying that, "There is little the government could do to prevent unemployment rising in the current economic climate" (*Courier-Mail* 9/11/01). Just a few weeks prior to making the statement, ACOSS publicly launched its paper "Generating Jobs: Fifteen Strategies for Reducing Unemployment in Australia" at a press conference during their 2001 annual Congress at which the Prime Minister spoke. I find it hard to believe that the Prime Minister's office was not aware of this paper or did not receive a copy of it.

This ACOSS paper (included here) on its own belies the statement that "there is little the government could do to prevent unemployment rising..."

However, apart from this, I am aware of a large number of possibilities for increasing participation in paid work, some of which have been ignored for years. If I, as a private citizen, can come up with ideas and possibilities like in the attached material, a statement like the one above attributed to the Prime Minister can only be an expression of ignorance or an expression of unwillingness to do the many things that could be done.

If it is a matter of ignorance, it ends here – with this submission – because it clearly gives the government of the day ample "measures that can be implemented to increase the level of participation in paid work in Australia" (Terms of Reference 1.)

If it is a matter of unwillingness to do what clearly can be done, that is a profound abuse of the good and tireless work of thousands of Australians citizens' and raises the question of the 'good faith' basis of this House of Representatives inquiry and, in particular, the first of its two terms of reference.

One is forced to ask the question why a government would choose to discount, devalue, insult and ultimately ignore the countless hours of both paid and unpaid work represented in the preparation and presentation of these 'measures'.

Those trying to gain or re-gain sufficient paid employment to live on have unbelievable odds stacked against them. How should they respond to the obvious disdain for their work that these responses show? We know there is a great deal that could be done if the political will were there. Indeed, we would be happy to do it ourselves if we had the resources. The irony is clear: we have the will but not the resources; the government has the resources but not the will.

Government "welfare" policies trap employment seekers under an income ceiling of no more than 60% of what it costs them to live (unless and until they get close to the equivalent of full-time paid work), yet they have, on recent trends, about a 10% chance of achieving that in the foreseeable future and full-time paid work is becoming less and less likely as time goes by.

Perhaps the statement "there is little the government can do" is, as some suggest, a purely ideological one based on the NAIRU and filtered through the advice of people who have no idea what it is like to be long-term, (and particularly mature-age) unemployed and having no assets with which to make a "new start". Whatever the statement is, hundreds of thousands of citizens find it to be unacceptable, ill-informed and destructive of people's will to do what the government demands of them (upon threat of loss of all income). Facing such a threat, citizens are expected to pull themselves up by their own boot-straps – and to do so without any of the necessary resources. I'm not sure what that represents (vindictiveness perhaps) but it doesn't represent good government by any definition.

Many of us can show (indeed, have shown for years) what could be done if the will and the intention were present. However, the way we are treated by political leaders in this country leads us to begin to believe that we are useless, redundant, stupid, naive, lazy, bludgers, snobs, etc., etc., *ad nauseam*.

Just fighting against this and the pressure to go away and be quiet or to cower before presumed superior intellect takes much of the motivation, energy and resources we have. This might even be OK if social “security” benefits were adequate, but they are little more than half of what is adequate. Furthermore, many cannot get any benefits anyway – not even a health-care card for prescriptions – because of exclusion rules that discriminate against unemployed people who are married.

As citizens, we are putting before you many, many things that could be done; we are not interested in whether the Liberal Party or the Labor Party likes them or not – Political Parties are not the ones being excluded and denied an income. We need decent paid employment; we are sitting here with the solutions in our hands; we have simply been asset-stripped to the point where we have less than nothing to start with.

For a Prime Minister to say “there is little the government can do” is offensive, insulting, degrading and, ultimately, suicidal for the nation.

When Employment Minister Abbott got himself sucked into the Dole Army media ruse, he made a public statement that there are proper and appropriate channels to go through to make your point. We have been doing exactly what he says people should do for over four years now. He has even conceded in writing several of our major points – yet he has still not fulfilled his promise of 2 years ago to meet with us. If, when responsible citizens follow the rules and the protocols and everything else, we are still treated the same as if we had not done so, why should we follow the rules and the protocols and have to continue to suffer under a regime that clearly doesn’t give a damn?

Employment Services Minister Brough is fond of pointing out that Australia’s new system is about “self-help”. Why then are we ignored, insulted, denigrated, etc. (especially by statements like “there is little the government can do”) when our whole life is about trying to help ourselves and, in the process, help a whole lot of other people too?

Is it not true that many government decisions are made on the presumption that unemployment is the price worth paying to keep inflation, interest rates and wage levels under control? Are not unemployed people thus very useful tools of economic management at the mercy of bureaucrats, elected politicians and the general public? Are they not, therefore, worth a decent wage, or should they ‘exit stage right’ by having the decency to emigrate or die?

We’ll tax our own citizens to support an unwinnable war, but every attempt by long-term unemployed and under-employed people (many of whom, incidentally, could not get a job in the military even if they wanted to) to help themselves is thwarted, disdained or ignored.

The “NO” must stop. For once, can’t someone show some leadership and have the courage and the decency to stop the war on our own citizens and commit to ensuring JOBS FOR ALL – that all have an equal opportunity to share in the “common wealth” of Australia.

In my view, none of this should be too much to ask of an Australian government. Indeed, if we have to ask at all, it vindicates the argument that modern Australian citizenship is not so much about being born here or about social participation, but about how one contributes to corporate bottom lines and to election results.

There is a great deal that can be done. We are ready, willing and able but don’t have the resources or the authority. The government have the resources and the authority but don’t appear to be ready, willing or able. Isn’t it time for the government and us to get together to solve this crisis?

DEFINITIONS

As a general rule, definitions should enlighten and facilitate action, not obscure and obstruct it. In keeping with a pattern common in many OECD countries, Australia has adopted a range of definitions on matters crucial to this inquiry. Considering the general rule above, these definitions can only be interpreted to mean that their purpose is to facilitate a neo-classical, economic fundamentalist, economic rationalist, hyper-capitalist, market-capitalist, private-corporate-capitalist philosophical and political view of the world.

Alternatively, we may have made some very silly definitional mistakes which need to be corrected.

To continue using these terms with their suspect definitions is, under no circumstance, an intelligent, honest or useful thing to do, given that they are obscuring and obstructing our apprehension of “Measures that can be implemented to increase the level of participation in paid work in Australia”, one of the two terms of reference for this inquiry.

A great deal is now understood about the intelligence, honesty and usefulness (or lack thereof) of the market-driven approach to matters of human and social policy. The political suggestion that “the research” supports this approach is laughable – if it were not so serious and dangerous. Much research in fact supports the opposite – as evidenced by *Alternatives to Economic Globalization: a Better World is Possible* (November 2002), by the International Forum on Globalization edited by John Cavanagh and Jerry Mander.

In keeping with this Inquiry’s need for progressive (as against ‘retro’) measures, it is absolutely crucial that underpinning definitions be, likewise, progressive. If our intention is to increase the level of participation in paid work, the underpinning definitions should enlighten and facilitate that. Currently some do not and, for policy and legislative purposes, better definitions are not only imperative, they should be totally integrated throughout the entire system. They should at least reflect the realities of “work” as it is experienced by the population. For humans, life and work have both objective and subjective elements. Our definitions should, therefore, also reflect this. Such definitions are these:

- Work = purposeful activity**
- Employment = paid work**
- Job = satisfactory volume of paid work**
- Vacancy = a unit of available paid work expressed as a proportion of a “full-time, permanent position”**
- Full-time permanent = not less than 32 hours of paid work per week (4 x 8-hour days) for 52 weeks**
- Employed: engaged in a satisfactory volume of paid work**
- Unemployed: not engaged in a satisfactory volume of paid work**
- Under-employed: not engaged in a satisfactory volume of paid work**
- Under-paid: paid work remunerated below award or below worker expectation**
- Unpaid: work performed without remuneration or compensation**

While these definitions may be still formative, they represent the bare minimum of what is needed to underpin public response to the question of increasing participation in paid work. Furthermore, they need to be standardised into our data collection processes and agencies (including the ABS) and into our social, political and economic processes.

THE VALUE OF WORK

The issue of definitions leads naturally into a discussion of the value of work. What is valued, how it is valued, how *much* it is valued and who does the valuing are all important foundational questions if one wants to “increase participation in paid work”.

In my mind, there is something numbingly perverse about a situation where one Australian worker is apparently worth \$60 a day and another \$60 a minute – a 1:1440 ratio. And this does not represent the extremes of the disparity.

By extension then, unemployment in Australia is largely not a jobs problem *per se* but a serious problem of the value we place on the work we do and how we reward that work when it is done.

Let me be very clear – I fully recognise the severe shortage of paid jobs in Australia. But that’s just it – PAID jobs. Few Australians can genuinely be referred to as idle and the few that are, are more likely to be in the ranks of the over-paid than of the under-employed.

The extremely rigid regime now in force means that if an unemployed person *appears* to be not pulling their weight, the government has more than enough liberty to come down on them like the proverbial ton of bricks – which they regularly do (and get it wrong many times too).

Putting that to one side, recent reports show that unemployed and under-employed people contribute to the Australian economy annually in unpaid work around double the figure for government outlays in unemployment benefit. So, to suggest that these people are getting something for nothing is little more than a case of sour grapes or attention deficit disorder.

Some of Australia’s foremost thinkers are quite ready to say that there is enough work “out there” for all who want to work. The problem is that far too much of it is unpaid work. In many cases, work that, until recently, constituted real paid jobs. Indeed, if all the work tied up in the Federal Government’s free-labour schemes (that they refer to as their “mutual obligation initiative”) were to be pooled and turned into full-time paying jobs, they would, in all probability, effectively deal with about one fifth of the unemployment pool in one stroke.

But, according to the Feds, these would not be “real jobs”, that’s why they don’t take this action. It is strange how they were real jobs once – not long ago! What changed? Well, nothing really – except the philosophical position underpinning this Federal Government. With the casting of the ballots in 1996, a huge number of Australians had their work immediately devalued to nil, zero, zilch – it just took a while for the effect to flow through.

However, at the “big end of town”, things seem to be going in the opposite direction. Executives and directors and the constituencies among which many Federal Coalition politicians find their support base had their work considerably revalued – several times over in some cases. In social terms, the nett effect is that, not unexpectedly, the bottom ranks have been mugged to increase the takings of the top end. It is worth noting that these disparate remuneration levels are simply a reflection of the philosophical and ideological revaluing of the work Australians do.

How does this happen? A number of theories are probably true but they would evoke the charge of ‘conspiracy theory’. Avoiding them, the answer is “the market” – the alleged “invisible hand”. In Australia’s current aberration of ‘market capitalism’, anything – including people and the work they do – is worth what ‘the market’ is prepared to pay for it. But, when appropriate, markets can be held to ransom to maintain prices.

So, with a large queue of unemployed people each waiting to have their turn at being exploited, if a buyer wants to secure the services of one of these workers, they can value the work at what they like and the queue will shuffle along until it finds someone prepared to work for that amount. On the other hand, if a buyer wants to secure the services of a worker in another field where ‘the market’ insists on a high price, the buyer must pay the premium or miss out.

‘The market’ has no objective or intelligent guide to the value of people or the work they do. It is “economically rational” in that it finds the lowest level possible for the buyer’s effectiveness and efficiency. This only changes when the seller is able to secure some level of influence or power in the transaction. This highlights the role and the place of Trade Unions and other forms of workers’ associations – protecting or underpinning the value of the work we do.

Have a look in the market place. The work of a croupier or a card-sharp at a Casino is now valued sufficiently for people to earn a decent living from it and maybe even take it up as a career. On the other hand, a community worker now has to work for nothing if the work they were doing last month is to continue. Compare also the differing value placed on the work of a prostitute and that of a stay-at-home mother.

The value placed on the work Australians are doing has undergone a seachange. We may or may not worry about the social, moral or ethical implications of our actions, but we must accept that many of those cut adrift by the devaluing of traditional areas of work (e.g. community work and mothering) will not take up the more highly valued work in the gambling and sex industries.

Take a look around your town or suburb. Get with a few friends and make a list of the things you can see that could or should be done. Are you satisfied with the number and the standard of services your Local Government provides – is there room for improvement there? Go over your experience of the past month and add to your list the points where you have felt that more could or should have been done or done more thoroughly or professionally. Examine government and community services you access – schools, hospitals, clinics, etc. – and find out if they could or should have more staff to cope with the workload. Tally up the hours of unpaid overtime you and people you know are working and so on. When you add it all together, it will be a large list!

There is plenty of work to be done – enough to provide work for all who want it. It is not done because we do not value it highly enough to pay for it – we want somebody to do it for nothing. In today’s climate, this work will invariably fall to those the community has been trained to see as unworthy or undeserving – people who (allegedly) “get something for nothing”. In Australia, they are the unemployed, lone parents and some disability support pension recipients.

We could demand that the overly high value placed on some work be revisited and brought back down to reasonable levels; we could demand that politicians and other public servants’ wages be means-tested, like so many of the citizens they ‘serve’. But that would cost us something – personally, societally, politically and emotionally, if not financially.

Then, of course, the same ones who have worked so hard to isolate a sector of the community as a scapegoat have also expounded the “pay peanuts and you get monkeys” creed. Intelligent observation would tell us the opposite, but the creed is infallible. Hence, we believe that if we want the best people, we have to pay big money for them. In truth, often, the best people are the ones prepared to (and in fact do) work for nothing, but this is absurd market irrationality, isn’t it?

Leadership in the Australian community means having the courage to stand up and say that we are no longer going to let the market be the final arbiter in the value placed on the work Australians do. If we do not do something courageous about this in the near future, the market conclusion will apply – the lowest common denominator – and your job just might be next. How much will you fight for the value of your work? How much will you give to restore worth to your fellow-Australians whose work has been devalued to the point where it can no longer provide even a modest living?

Our National Anthem extols “wealth for toil”, but that is a fiction now. It should say “wealth for a few languid mouse clicks” and “the poorhouse for toil”. The strongest – the ones who actually survive the beatings and the muggings – are relegated to the poorhouse and the weakest are taught how to achieve wealth without work.

Our survival into the future demands a new paradigm for defining and valuing “work”.

Terms of Reference



- (1) measures that can be implemented to increase the level of participation in paid work in Australia; and . . .***

- (2) how a balance of assistance, incentives and obligations can increase participation for income support recipients.***

Terms of Reference (1)



Measures that can be implemented to increase the level of participation in paid work in Australia

a. Immediate Measures (1 & 2)

“

Those who make peaceful revolutions impossible will make violent revolutions inevitable.

”

John F. Kennedy

1

A new paradigm for defining and valuing “work” leads us to the simplest and most obvious measure that would significantly increase the level of participation in paid work in Australia: **for every worker who is working without pay and who wants to be paid TO BE PAID.**

This includes ALL participants in the Federal Government’s “mutual obligation initiative”. We know that all of these people want – AND ARE ACTIVELY SEEKING – paid work. Instead of granting them a below-poverty allowance, they should be paid a wage commensurate with their age and their talents.

This is clearly a responsibility of the whole Australian community, not just of the individual worker since most of these individuals have no position of power in the situation to bring about monetary remuneration. I view our legislative bodies (our parliaments, etc.) as the appropriate expression of the Australian community to have the responsibility to set up appropriate structures to ensure citizens can and do draw whatever finances are necessary to fund those wages – from direct government funding, to private/public partnerships, to full private funding.

Failure to do so is, in my view, a breach of the “mutual obligation” of the state to the citizen.

There is no doubt that all Parliamentary Committee Members are remunerated for what they do. Why should these Committee Members – especially considering that it is the Employment and Workplace Relations Committee in this instance – expect fellow-citizens to work for a below-poverty allowance or for nothing? This is particularly pertinent given that the below-poverty allowance paid for many hours of genuine work is less than the allowance paid to Committee Members for hotel accommodation for one night.

If the work allowees are doing is genuine, useful work (as required by the relevant legislation), the organisations they are working for should pay them the proper wage for it. To expect less is blatant discrimination. Good government is, in part, about protecting citizens from exploitation.

To say “we can’t afford it” or “how would we pay for that?” is culpable obscurantism. It is up to the organisations and to legislators and policy makers, not the workers, to appropriate the funds to pay people for the work they do. Otherwise, it is a “bonded labour” situation and outlawed in Australia on the basis of the international agreements and conventions we have signed.

All the Federal Government has to do is ask a different group of economists and the advice they received would be quite different and would place the government in a situation where they could provide funds for wages without having any significant detrimental effect on the national economy. It may even improve the situation.

The decision to NOT do this is a decision to use citizens as tools of economic management and to totally devalue large tracts of useful work (and the people who do that work) which contribute hugely to the national economy.

If it is not the intention of the government to abuse workers in this way, then paying them a proper wage for their contribution to society and to the economy is the only decent thing Honourable Members can do. How can Members justify a system that arbitrarily values one person’s work highly enough for them to live extremely well and values another’s at nothing – not even worth a thank-you from the Minister in the International Year of Volunteers?

This measure would take three fairly simple acts: institute a policy that all workers will be paid a decent wage for their contribution to the life of the nation; work out HOW the wages will be funded; set up the systems and processes to make it happen.

The collective wisdom of extant literature and serving Members, Senators and bureaucrats surely is sufficient for this task! If they are not up to it, ‘the market’ says they should not be employed where they are.

2

Another very obvious – and profoundly logical – measure that would significantly increase the overall level of participation in paid work in Australia is, wherever possible, to **reverse the measures that have eroded such participation in the recent past**. In particular, I refer to the ideological position of small government and the “do more with less” mantra.

Unless one intends to deliberately reduce the number of citizens needing and calling upon government services, significantly reducing the size of the public service can only have an erosive effect in terms of overall participation in paid work.

However, the government/corporate attacks of recent years on workers’ entitlements and wage levels (particularly at the lower end of the spectrum) have brought about an *increase* in demand for services and a *decrease* in the services delivered. Over recent years Federal Governments have deliberately excised a previous entitlement for many thousands of citizens. By this means, they have not reduced the need for government services, just reduced the number of people calling on them – a conjuring trick. (e.g. greater targeting of Newstart Allowance)

This *increased targeting* of government services has, by definition, excluded many people in need from entitlement to helps that were there previously. If one examines Centrelink, the Job Network, the Commonwealth Rehabilitation Service, various disability services, tertiary education and the likes, services have been cut back by the crude exclusion methods of tightening the eligibility criteria and not CPI-indexing service delivery allocations. Fewer people are thus required to deliver the services and the ideological position of small government and “do more with less” is achieved. The people who make the exclusion decisions are not really affected by the decisions, so they sleep well at night while many thousands lost their jobs.

This, along with other measures well known to Members, has delivered a dramatic reduction in the size of the public service. Many thousands of people have been sacrificed to achieve an ideological outcome that is little more than the fetish of a few who can afford their ideology.

To make matters worse, contracting out of government services (e.g. the use of fee-for-service “consultants” to replace employees) and privatisation (e.g. the Commonwealth Bank, QANTAS, Telstra) have often simply led to the situation where fewer people earn a whole lot more for providing the government services.

Few, if any, of these (and inter-related) measures have led to an “increase in participation in paid work in Australia”, yet the government runs an inquiry to look at how to do just that. The (il)logic is stunning.

The public service is now, in my view, far too small as evidenced by the increased levels of stress, anxiety and pressure experienced by many public servants, by the long queues at counters and call centres and by the obviously unmet needs of many citizens.

When an individual’s ideology is more important than the well-being of citizens, we don’t have a democratic “common wealth”, we have an “elective oligarchy”. I never voted for that change and I don’t know any other citizen who did either. Referendum by stealth and deceit perhaps?

Rebuilding the public service after the slash-and-burn of recent years is a key step in increasing participation in paid work in Australia.

The act of (plus the flow-on effect of) re-engaging the public servants who were “made redundant” in the last 10 years would be an enormous stimulus to the nation. Indeed, it could effectively eliminate any serious unemployment issue for Australia.

These two measures are so obvious, logical and do-able, yet they remain undone. One can reasonably conclude then that ending unemployment is not politically desirable, is not in the interests of international investors and is unsuitable to Treasury bureaucrats and employers – in short, we DON’T WANT to end unemployment, we want a cowed and hungry workforce.

Terms of Reference (1)

Measures that can be implemented to increase the level of participation in paid work in Australia

b. Real Welfare Reform (not welfare repeal)

- *Measures (3 to 18)*
- *Reference Papers:*
 - "Washington's New Poor Law: Welfare 'Reform's' Legacy and Real Welfare Reform"
[<http://www.njfac.org/us23.htm>]
 - "The Right to Work and the Right to Welfare"
[<http://www.njfac.org/sr2.htm>]
 - "How a Collective Insanity has Taken a Grip on the World"
[Susan George in *Take it Personally*, Anita Roddick, Harper Collins 2001]

“

Nothing is as terrible to see as ignorance in action.

”

Goethe

Welfare Reform in Australia since the federal election of 1996 has come to be characterised, in addition to the two ideological features mentioned in the previous section (small government and “do more with less”), by what is more accurately described as ‘welfare repeal’ than as genuine welfare reform.

By any reasonable dictionary definition, “reform” implies improvement. Consequently, the criteria against which changes are measured in order to determine if welfare is indeed “reformed” are critical. What are the criteria – the aims of welfare reform – that are pertinent in the Australian process of the past 7 years? I refer here to the original government discussion document on welfare reform: “The Challenge of Welfare Dependency in the 21st Century”, September 1999.

- Broad ideological aims: small government; “do more with less”.
- Government welfare reform aims: reduce welfare dependency (sic.); increase participation in the community and (by osmosis) in paid work; cut costs (reduce federal expenditures).

Has welfare reform improved the situation? Measured against most of the criteria here, yes it has. It has definitely improved the situation FOR THE GOVERNMENT. The public service is smaller; those who remain, along with those who now privately do the government’s work, are doing a lot more with a lot less; dependence on welfare has been significantly reduced; communities have access to lots of free labour; costs have been significantly reduced, both directly by reduced fees for services and curtailing entitlements and access to employment and rehabilitation services and indirectly by clawing back costs through the system of penalties imposed on recipients for minor infringements of rules. In short, the welfare system itself is partially self-funded through breach penalties.

However, on the critical issue pertinent to this inquiry (has the welfare reform process improved ‘participation in paid work in Australia?’), the answer is a resounding NO. Minor and marginal improvements have been achieved in a few spots, but this is more than negated by the worsening of the situation in many other areas. The Government has access to all the evidence it needs of this in the myriad submissions it has received to numerous inquiries since 1997 and, in particular, since the 1999 discussion paper mentioned above.

What ‘welfare reform’ has failed spectacularly to do is to encourage and facilitate participation in paid work – in particular, paid work of more than a few months’ duration. Further, it has failed almost absolutely to do this for long-term unemployed people.

Naturally, the inability of governments to admit failure means the blame has to be sheeted home to those welfare reform has failed to assist. The theory must be right because of its origin. It is, therefore, the fault (in particular, the “moral deficiency”) of those who fail to benefit from the process and they must learn how to attune themselves to the system (read ideology) if they want to (quoting government propaganda) “move forward”. I call this the ‘sovereign theory’ approach. In this approach, the theory is ‘sovereign’ – infallible and unassailable – and “failures” must be accommodated to the theory.

In science, one such theory is the theory of evolution. Contrary to the fundamental scientific principle, evolution (natural selection and survival of the fittest) is sovereign and failures or aberrations have to be accommodated to the theory. Neoclassical theory has a social and economic equivalent – it’s called Social and Economic Darwinism (natural selection and survival of the fittest applied to society and markets). Consequently, it too is a sovereign theory and failures and aberrations have to be accommodated to the theory. Australia’s practice of welfare reform is an expression of this sovereign theory, as is much of the practice in the United States.

Three excellent papers (attached) shed light on this subject: “Washington’s New Poor Law: Welfare ‘Reform’s’ Legacy and *Real* Welfare Reform” (*Uncommon Sense* 23, September 2000);

“The Right to Work and to Welfare” (National Jobs for All Coalition Special Report #2, February 2002); “How a Collective Insanity has Taken a Grip on the World” (Susan George in *Take it Personally*, Anita Roddick, Harper Collins 2001).

The description of the US experience of Welfare Reform is informative. Like Australia’s, its features include:

Deepening poverty despite economic growth; the persisting jobs gap; working, but still poor; the education and training gap; childcare a major barrier to employment, self-sufficiency and child welfare; welfare repeal without work guarantees.

So, can ‘welfare reform’ deliver an increase in participation in paid work? Clearly it can – with certain provisos. But the aberrant strain of welfare reform being practised in Australia (and in much of the US) cannot – by definition. Therefore, it is not truly welfare reform. [See notes on Terms of Reference 2 at the end of this submission.]

Real Welfare Reform – that which leads to an increase in participation in paid work and decent returns from participating in paid work – includes the following: [See our **submissions** to the Welfare Reform Reference Group included as a document in the “Strategies in Inter-related Areas” section of this submission AND the above-mentioned **papers**.]

- 3 Immediately cease destroying paid jobs through the use of cheap and free labour schemes, especially those coming under the banner of the “Mutual Obligation Initiative” (e.g. work-for-the-dole, community work placements, obliged “volunteering”) and immediately commence the funding of this work as normal paid employment;
- 4 Significantly increase allowable earnings figures (up to *at least* the same level as for the Age Pension) for Transfer Payment recipients;
- 5 Abandon ‘clawback’ provisions on all Transfer Payments until the total income of the recipient is within reach of a reasonable household budget figure;
- 6 Lift the tax-free threshold to \$10,000;
- 7 Link workers’ Employment Declarations (by which they claim the tax-free threshold) to a standard working week of (say) 35 hours instead of to an employer;
- 8 Treat partnered individuals as individuals for social security purposes – OR allow income splitting for couples for taxation purposes;
- 9 Guarantee national provision of public transport concessions (or fuel discount vouchers) for all low-income individuals or households;
- 10 Determine whether jobs are available before imposing work requirements;
- 11 Guarantee that welfare repeal will not be used to create a dual labour force (as is currently the case under the “Mutual Obligation Initiative”);
- 12 Create jobs for the unemployed;
- 13 Make work pay (including decent minimum wage legislation and living wage ordinances);
- 14 Guarantee affordable quality childcare to all parents who need it in order to remain employed, accept employment or participate in education and training;
- 15 Increase federal and state commitment to education and training for all workers;
- 16 Increase federal budget allocations commensurate with an updated estimate of need for welfare based on the experience of past recessions;
- 17 Restructure benefits as care allowances to recognise work done in the home caring for the young and the frail of any age;

18 Raise benefit levels to a standard commensurate with health and a decent standard of living.

Terms of Reference (1)

Measures that can be implemented to increase the level of participation in paid work in Australia

c. Full Employment in Australia

- *Full Employment in Australia: an outline for discussion*

* Rewritten for Australia by the author, based on the INOU document "Full Employment: the Driving Force for Social Justice". ISBN: 0 9515569 5 9

- *Reference Papers*

- Dangerous Currents Flowing Against Full Employment, CofFEE Working Paper No. 02-04
- Full Employment in the United States: history and prospects, Sumner Rosen, National Jobs for All Coalition, US, CofFEE Path to Full Employment Conference 2001

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Full employment is the foundation of a just society.

”

1986 pastoral letter of the U.S. Conference of Catholic Bishops

Full Employment in Australia: an outline for discussion

Introduction

The nature of Australian unemployment has changed dramatically in the last fifteen years. This period has seen the emergence of mass unemployment, dramatic increases in long-term unemployment and its concentration in certain communities. It has seen rural de-population and high levels of people of working age 'dropping out' of the system for various reasons.

The quality of our lives and the lives of our children will be decided by how we respond to the challenge of these changes in the next few years.

The ANOU has consistently argued that the socially just response to unemployment must be based on a commitment to full employment. Approaches which abandon this commitment will lead us further into the deeply divided and bitter society that we are rapidly becoming.

The implications of a commitment to full employment have been frequently misrepresented and misunderstood. This document sets out the ANOU's understanding of full employment and its importance as a goal of Government, our national institutions and our entire society.

What is Full Employment?

Full employment exists when all adults who wish to take up paid work can find it within a reasonable time. This does not mean zero unemployment. With rapid technological change and the consequent changing demands for skills, substantial numbers of people may be undergoing training – or simply be in transition between jobs – at any time. We are not concerned here with debates about what percentage of unemployment is 'acceptable', but with the values of equity and participation on which the vision of full employment is based.

The ANOU's understanding of full employment is founded upon our belief that every adult who wishes to engage in paid work should have the right to do so. This right cannot be fulfilled unless the work available meets the human need to obtain an income, to contribute to society and to gain a status in the community through this contribution.

The nature of work, its organisation and the skills it demands are changing at an accelerating rate. In these circumstances, the ways in which society strives towards full employment must also be dynamic and responsive to human needs. What remains crucial is that opportunities are open to all, that no individual or social group is excluded from paid employment or confined to marginal forms of employment and that all social, commercial and governmental impediments to equity of treatment be removed from the pathway to paid employment.

A commitment to full employment is therefore an issue of social justice, not just a question of numbers. It is concerned with a fair distribution of work, training, income and leisure between all members of society.

Who benefits from Full Employment

The denial of the right to earn a living has become the most pervasive social injustice of our time, hindering the development of a range of other human potentials for over a million Australian citizens and dramatically increasing government expenditures in areas such as health, policing, corrections and the likes. The people who suffer most are not chosen at random.

If, as many claim, society will have to adjust itself to continued unemployment, the pain of this adjustment will not be equally shared unless we deliberately choose to ensure that it is. Experience in Australia in recent times – and overseas experience – shows that the people who will suffer the most will be indigenous workers, so-called "unskilled" workers, mature-age workers, women, the disabled and the multi-cultural community.

If we accept continued unemployment, people born into these groups will remain unemployed or in marginal jobs for a very long time, often for the whole of their lives. It will blight their lives and the lives of their families and their children.

It will also blight the whole of our society. A society deeply divided between those with more than an equal share and those denied the right to earn a living will not be a pleasant place, even for the privileged. Only full employment provides a framework in which all people can have an equal share of life's chances.

A popular Australian argument seeks to deny that many workers are denied the right to earn a living on the basis of the suggestion that if people remain unemployed for any significant period of time, they only have themselves to blame. There is no evidence in Australia to back up this claim and the evidence that is available points to the basic conclusion that there is insufficient paid employment available for all and/or an inequitable distribution of that paid employment.

What difference would setting a goal of Full Employment make?

No society achieves full employment all the time. Economic crises may lead to periodic rises in unemployment. Success must be judged by how effectively and how quickly the society responds by reasserting full employment. Australia is proving to be extremely reluctant in this regard.

Societies that have a good record of achieving this outcome come in all sizes and with all forms of political and economic systems. Crucially, there are two factors that employment-successful economies have in common:

- first, a common understanding that full employment is necessary for any definition of the society doing well;
- Second, institutions that are capable of translating this commitment into action.

Australia has neither of these.

We have become convinced of the inevitability of mass unemployment and 'personal resignation', yet unprepared to ensure that this 'inevitable unemployment' is shared equally across society. Government Ministers can happily describe the economy as doing well when 20% of our people are excluded from any rewarded constructive role in it. Instead, they actively support the use of compulsory free labour schemes to fill the need for workers.

Neither Government, nor Australia's current "social coalition" structures, nor the Trade Union movement nor the corporate/business community seem able to tackle the key issues that perpetuate mass unemployment. Unpaid unemployed people themselves (usually without any resources at all) are expected to present perfectly constructed and costed plans to the very people who are well paid to do the job they are apparently not doing.

Without a fundamental commitment to full employment, these people are condemned to put other policy goals before the goal of generating more jobs and ending the exclusion of the unemployed. Some political maestros even publicly acknowledge that they do not support job creation strategies as a solution to unemployment.

Low inflation, a stable currency, increased profits or wages, tackling national debt, funding various 'wars', cutting income tax or simply looking after vested interests all take precedence.

Changing patterns of work

The type of jobs that exist in any economy change constantly. The existence of such huge changes is not unique to our own time. There has been a historic reduction in the time people spend in employment. This will and must continue.

Employment patterns have been changing. Part-time, temporary and casual employment have grown dramatically in recent years and are now a dominant feature of the Australian workforce. Consequently, the predominance of full-time permanent employment is challenged and weakened almost on a daily basis. Simultaneously, huge numbers of workers are working many more hours, often without pay.

In part, these patterns reflect cyclical factors, but it is generally agreed that longer term factors are also at work. In Australia presently, both these trends clearly appear to be on the rise.

Arguing for a full employment society is not, as it has often been caricatured, an argument for a '40 hour a week job for 40 years', or for everyone to work in factories. In exactly the same way as ideas of what constitutes social justice have evolved, the idea of full employment must evolve. What remains central is that the same choices are open and accessible to all.

We cannot accept the evolution of an economy that provides highly skilled, demanding and rewarding jobs for some, while providing low skilled, low paid jobs – or no jobs at all – for the rest. Equally, offers of inferior or restricted forms of employment to the unemployed create a two-tier system that is not compatible with full employment. If the new forms of employment involve more part-time work, more time for unpaid work, or more time spent in training, these features should be equitably distributed among all the people. In other words, if we are not going to share the employment, we must share the unemployment.

Choice about forms of work is as important for the currently unemployed as for the employed. A person forced to do overtime to maintain a decent income is as much a victim of our current employment inflexibility as is an unemployed person offered part-time or unpaid work when full-time work is wanted. A commitment to full employment that is informed, among other things, by demands for social justice will more quickly and more smoothly see the 'flexibility' Government Ministers make a great deal of noise about. Such a commitment will, in fact, see genuine flexibility being expanded to meet the needs of workers as well as industry.

Full employment cannot be achieved by excluding certain categories of people from the workforce. The ENU Charter of Rights of the Unemployed argues that all members of society must have equal right to employment regardless of social class, age, gender, marital status, disability, ethnic origin or sexual orientation.

In the past, women's (and, more recently, older men's) right to employment have been ignored. In arguing for full employment, therefore, it must be stated clearly that women and older men have an equal right to employment as any other person aspiring to paid employment. Significantly, for example, countries that have been most committed to full employment (e.g. Sweden) have generally achieved the highest rates of female participation in employment.

In Australia, changes in the division of parental responsibility, child care facilities and flexibility of employment will be needed to create genuine equality of opportunity. Equally, very considerable changes in the education system and in social attitudes will also be needed to reach that goal. The scale of these reforms is an indication of just how powerful the goal of full employment would be as a motor for social change.

Unpaid work

Unpaid work is now big business in Australia. Annually, millions of dollars of public money goes into the task of placement of so-called 'volunteers' into organisations, both not-for-profit and for-profit. Many areas of work that, until recently, were considered valid employment (such as work in the environment, community services, some aspects of child care, etc.) are now the target areas for Governments to place volunteers and conscripts to unpaid work programs such as work-for-the-dole. In Australia, this is done under the general umbrella of "mutual obligation". Most recently, it

has come within the Coalition Government's first major response to the Welfare Reform Reference Group Final Report, "Australians Working Together".

It is now absolutely vital that these arrangements be re-evaluated to return this type of work (and many others) to the status of paid employment and to ensure they are revalued in the eyes of the general community. The more realistic status must then be linked to payment at levels appropriate to that status. Attempts to redefine work simply by increasing the status of unpaid work but without transforming it into paid work guarantees the advancement of a two-tier society. We cannot reward some people with money and some with a pat on the back and claim that we value their work equally.

The ANOU focus on access to paid employment does not deny the importance of genuine voluntary work that is done unpaid. Of course any person may choose to commit themselves exclusively to unpaid work rather than take up paid employment. What is essential is that the choice of decent, paid work is available and offered to them in the first place.

A fair share of the paid work in society also demands a fair sharing of the unpaid work. As in any civil society, the work of rearing children and a vast array of other unpaid household work is regarded as a natural part of life, often making it difficult for them to take up paid employment. The issue of childcare is therefore central. Childcare must be seen as a responsibility to be shared by society, if that same society is going to demand that the usual carer be employed in regular paid work. Furthermore, childcare and household work in general must be seen as responsibilities to be fully shared by men and women alike.

Rights of unemployed people

People who are denied the right to adequate paid employment must still have the right to an adequate income while in that situation – sufficient not just to provide basic economic welfare and security (which, in Australia is not currently the case anyway), but also to live with dignity and to participate fully in society. Emphasising the centrality of everyone's right to a decent paying job in no way diminishes the importance we attach to the many other human rights of unemployed people. Further, the typical Australian position of claiming that responsibilities are just as important as rights conveniently obscures the fact that the prevailing Australian system is almost entirely responsibilities with no actual 'rights' at all. It is sad fact of life for many hard-working Australians that they found out unemployed people have huge responsibilities with few meagre rights far too late for them.

For unemployed people to get back to work, they need – as an absolute minimum – access to affordable high quality, recognised training and decent transport options. Currently, neither of these is readily available to unemployed people in Australia. Further, many unemployed people are excluded from any form of government assistance on the basis of highly questionable and quite unreasonable qualification rules.

Access to all training should be voluntary and based solely on the informed assessment of unemployed people about the potential benefits of taking part. Much alleged 'training' is redundant and produces no tangible benefit to the unemployed participant.

Attendance at Centrelink, Job Network Members, employment interviews, work programs and the myriad other "obligations" imposed on job seekers all cost large amounts of money – often money they simply do not have. Provision must be made for unemployed people to actually carry out these obligations placed on them by people who have no commensurate obligation-costs.

Beyond that, it clearly needs to be reiterated that unemployed people do not lose their rights as Australian citizens when they lose their job.

Most particularly, while ever unemployment remains, unemployed people have a right to be represented at every level where decisions are being made about their lives. A society committed to

eliminating mass unemployment must not only allow such representation to happen, it must actively support the democratic structures needed to develop it.

Full Employment and decent jobs.

The ANOU's commitment to the goal of full employment – which is rooted in a commitment to social justice – cannot be equated to the attitude of 'jobs at any price'. Society may well be better off without particular jobs because, for example, they are exploitative or dangerous or pose significant environmental risks.

The nature of jobs that are 'unacceptable' is constantly changing. In Australia currently, one can make a career and/or a good living out of working as a cardsharp at a Casino or in the business of selling one's body for money. The changing nature of employment must be matched with a changing standard of environmental and employment protection, both through legislation and collective bargaining.

A path towards Full Employment

The ANOU and its member organisations have consistently argued that to achieve a full employment society, we need action on three fronts:

- to make jobs. This means making sure that our national resources are exploited in a way that generates the maximum number of jobs, not just the highest level of profit;
- to keep jobs. This means having a policy of protecting viable industries, the industrial relations structures to fairly settle disputes without disruption and to overturn the culture in which managers are applauded and rewarded for shedding jobs;
- to share jobs. This means not only conventional job-sharing, but also a shorter working week, retiring earlier and a life with less work and more leisure for everyone.

As well as increasing the total number of jobs that are available, it is essential to ensure that people who have waited the longest and suffered the worst have a better than equal chance of getting those jobs. At the very least, a system of guaranteed interview following a specified period of unemployment should be actively considered.

The ANOU has developed constructive and, to some, radical policies on each of these principles. They are available to any who wish to participate in the long-overdue discussion of reinstating a full employment society.

For over ten years, unemployed workers' groups and, since 2000, the ANOU, have made detailed submissions in many public inquiries and at many meetings as well as lodged many media statements. Many of the statements and submissions are in the public arena. The work we do is not definitive, as we are the first to admit that we do not have all the answers. Not having all the answers is not the same as giving up on the hunt. We have some of the answers and together as a nation, we possess the solution to the problem.

Progress on all the necessary fronts is difficult. It requires us to challenge the inertia of those who would be more comfortable if things stayed as they are. For this we need a goal. An evolving vision of full employment provides that goal. It also provides a powerful driving force to carry out a whole range of other changes that will make this a better and more just society. Without that commitment, any level of unemployment will be acceptable. With it, we are at least on our way.

The ENU Charter of Rights of the Unemployed

1. Political and economic commitment to full employment
2. Just distribution of work and leisure
3. Creation of new jobs to produce the goods and services that society needs
4. Real and socially useful jobs
5. Living income for all
6. An end to discrimination in the payment of welfare, access to employment and promotion
7. Access to high quality training/re-training for employed and unemployed workers with adequate reimbursement
8. Resources for organisations of the unemployed
9. That the employed and their organisations along with the unemployed and their organisations accept their mutual responsibilities to each other

[Adapted from the INOU document "Full Employment: the Driving Force for Social Justice".
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Terms of Reference (1,

Measures that can be implemented to increase the level of participation in paid work in Australia

d. Australia Working

- *The Answer is a Concert not a Solo*
 - * A UNEMPA discussion paper
[Filename: Australia Working.doc]
- *Newspaper pieces*
 - * "Jobs the issue"
 - * "Extra holidays"
 - * "Social change unit"
- *Initiative Unlimited*
 - * A UNEMPA proposal
[Filename: InitiativeUnlimited_02.doc]
[Filename: InitiativeUnlimited_02.xls]
- *Solutions to Unemployment*
[Filename: Solutions.doc]

“

What is needed now is a revolution in kindness.

”

Anita Roddick
Take it Personally

Australia

Working

“The Answer is a Concert, not a Solo”

A Discussion Paper



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With the commitment of policy-makers and legislators in Federal, State and Local Government; with the determination of both unemployed people and commerce & industry; with the support of all men and women of good will throughout Australia; it is possible for Australia to achieve “full employment” when we approach it from the viewpoint that there is no single simple answer, but there are many things, both big and small, which, when done in concert, are the answer.

The view of Unemployed Persons Advocacy is that, for the sake of all Australians, it **MUST** be done. We can no longer flirt with the excuse that “economic management” determines what is done. In our view, economic management must be the servant of the people seeking the good of the people. It is not a matter of working out what economic management will allow us to do, but working out what needs to be done and using all available tools, including economic management, to do it.

PROFILE

UNEMPA is . . .

- dedicated to protecting the rights and advancing the interests of unemployed and under-employed people through advocacy at all levels of government;
- a voice for unemployed and under-employed people as a group [we are NOT able to take up the cases of individuals];
- a not-for-profit organisation resourced and operated entirely by unpaid volunteers who are unemployed or under-employed;
- independent and not aligned to or opposed to any particular political or religious ideology [UNEMPA has not sought funding from any Federal or State Governments];
- a founding member of the Australian National Organisation of the Unemployed.

CORE ISSUES FOR UNEMPA are . . .

- promoting a positive image of unemployed people;
- injustices of unpaid labour schemes, particularly work-for-the-dole;
- job Network and Centrelink policy and procedures;
- public policy and legislation which affects unemployed people.

DEFINITIONS

UNEMPA's working definition of "full employment" (more detail inside) is that **full employment exists when all those who want paid work can secure a decent job, with a living income, within a reasonable period of time.**

Our working definition of an unemployed person – the people we aim to represent and assist – is a person who is **unwillingly unemployed, under-employed or unpaid.**

PREAMBLE

The purpose of this paper is that it serve both the citizens and the government of Australia as a discussion paper to ignite interest and debate in bringing an end to the mass unemployment that has plagued the nation for around 30 years.

It acknowledges the past and present work of Australian Governments, especially those prepared to employ effective programs, and it's content does not imply that things contained in the paper are not being attempted or considered.

However, it also acknowledges that, on present trends, Queensland's job seekers – in particular the over 40s, those who have been job hunting for a long time and indigenous and immigrant job seekers – have little prospect, in the foreseeable future, of finding sufficient paid employment to support themselves and their families. Further, it acknowledges that, without new ideas, a new approach, a new path and new policies, this state of affairs will only continue and, most likely, get steadily worse.

We believe that the key element in any 'new approach' has to be the direct involvement of unemployed people, as the key stakeholders, in discussions, decisions and policy making. Australia will continue to struggle with employment and unemployment policy until this matter is addressed.

We believe that some level of 'ownership' by the key stakeholders of both the process of finding solutions and the implementation of those solutions is both crucial and pivotal to their success. Many of the things unemployed people are repeatedly told they lack (quite wrongly in our view) such as skill, motivation, discipline, etc. can be found in the trust, respect and dignity that would be part and parcel of such inclusion.

We also believe that failure on the part of any Australian Federal Government to implement the measures herein submitted in response to the Government's own request for "measures that can be implemented to increase the level of participation in paid work in Australia ..." (Inquiry Terms of Reference) will signal a comprehensive unwillingness to deal fairly, honestly and openly with its citizens acting in good faith with the good of the whole nation at heart.

A SIX-POINT STRATEGIC PLAN

1. Sign up to Full Employment

For some, there is nothing more silly than to speak of “full employment” in the 21st Century.

The NAIRU – the non-accelerating-inflation rate of unemployment – is the established wisdom and “everybody knows” full employment is not possible any more. Some suggest that to speak of it in any kind of endearing way is to be stuck in the past; to be hankering for a return to the past; to be a pipe dream.

We believe it is an essential core element of our nation’s future.

Averaging unemployment nationally, Australia hovers around the NAIRU, but in doing so, it has wildly fluctuating figures across the nation and, if unemployed people were to heed Commonwealth Ministers’ advice, they would all converge on parts of the eastern sector of Sydney, a few spots in Melbourne and some parts of Canberra. Now that’s a pipe dream!

In some regions, headline figures of 20 percent or more are not uncommon while some areas have figures as low as 2 percent. Researchers have estimated that unemployment among sections of the indigenous community and some migrant communities is 50 percent or more.

In our view, the perpetuation of the notion of the NAIRU is an admission of failure, an abdication of responsibility and an insult to Australian workers.

Hand in hand with the NAIRU is the repeated claim that “there are no simple solutions”. However, it would take little effort for those who support the NAIRU and those who excuse inaction to collate a raft of possibilities and ideas that, done in concert, could end Australia’s mass unemployment.

As Australia has seen, Governments face a choice: place “full employment” at the heart of policy settings and ‘manage’ issues such as inflation; **OR** place the “fight inflation first” creed at the heart of national policy (placing all our emphasis on keeping inflation, interest rates and bottom-end wages down) and then ‘manage’ employment around these things.

For 30 years, Australia has consistently chosen the latter. The consequence of this is sustained high levels of unemployment, declining real wages at the lower end of the wage range and huge increases in insecure and short-term employment and in executives’ remuneration.

We are constantly told that we have to accept this “change” as inevitable and learn to live with it. The problem is that many people CANNOT live with it. It simply is impossible to *LIVE* with it – one can merely *EXIST* (mostly in poverty) with little or no hope of anything ever improving. The consequence of this is that more and more people have no choice but to rely on “welfare” just to survive and it is now completely inadequate even for survival.

Elected Members of integrity know these things and don’t need to be reminded of the mass of supporting research.

Clearly there is no future in this. This scheme of things is already killing people – literally. Severe bouts of ill health, chronic illness, suicides, life-threatening crime, punishments for that crime and epidemic drug abuse are all part of the social cost of the application of these theories.

We say it is time to redefine “full employment” and place it back at the centre of Government. We believe that many Australian citizens, from all walks of life, would support this call if they were provided with the opportunity to express their view (see the *Australian* of 16/4/01 “Jobs the issue that gets voters most worked up” attached).

We believe “full employment” exists when all those who want paid work can secure a decent job, with a living income, within a reasonable period of time. Further, we cannot reach this destination by travelling down the road we are on.

We are far from this happy situation. We already have a huge mass of people who have little hope of ever returning to decent paid employment as long as we persist with current policies and strategies. And every month the problem worsens – especially for those over 40. (See “Discrimination ‘must be beaten’” and “Extra holidays ‘would reap jobs pay-off’”, *Courier-Mail*, 11 July 2003, p. 7 attached.)

Things must change and, due to the inaction of successive Federal Governments, employed and unemployed workers must fight together for that change if they want any sort of half-decent future.

We believe the *first step* is to agree in principle that we want to return a redefined and re-energised “full employment” to the heart of Government and to our public forums. The *second step* is to establish what “full employment” will look like in Australia. The *third step* is to chart a way to arrive at this destination and to call in the plans, ideas and distilled wisdom of our people as an important resource.

Australians of all walks of life can express their support for these principles by taking up our challenge to “*Sign up to Full Employment*”. We urge Australians to put their signature alongside ours in a strong assertion that we want Australia to be a nation that measures progress not by low inflation and ‘good’ GDP figures but by ensuring that all have a real opportunity to earn a living and enduring income independent of Government and that the surest way to achieve that is via an agreed Full Employment Strategy.

2. A National Employment Services Community Reference Process and Taskforce

Community councils, advisory groups, reference groups and consultative committees already exist in Australia for a very wide range of areas where governments need to develop policy. These bodies are designed specifically to embrace and include representatives of the people affected by the portfolio and policy areas concerned.

The existing Area Consultative Committees (now a function of the Department of Transport and Regional Services) could easily be revamped to include and embrace unemployed people (especially mature-age and long-term unemployed people) and perform this function.

The primary purpose of such a group or process (alluded to earlier) is to establish what “full employment” will look like in Australia and to chart, guide and assist a way to arrive at this destination. Many ideas that fit in here are lying idle in the community and on library shelves.

A National Employment Strategy Taskforce (NEST) would be charged with responsibility to turn the output from the ESCR process into viable achievable plans in enough detail to facilitate implementation in regional and local arenas.

We suggest that not only is this very feasible, it is necessary – and there are good people ready, willing and able to be involved. In addition, as Bridgman and Davis argue in *Australian Policy Handbook* (Allen & Unwin 1998), this process would allow us to “develop a solution more likely to ‘stick’ because it reflects the realities of the problem and the competing interests of those involved”.

A second purpose for such a group relates to our next point concerning a return to a public employment services provider. However this is managed – and to avoid both the serious problems associated with the current Job Network and the difficulties experienced by the former CES and Employment National – there is a clear place for having a solid reference group monitoring such an employment services provider.

Our view is that the advantages of this concept, to both government and the governed, significantly outweigh the disadvantages.

A unit within the Government similar to the social-change unit mooted by South Australian Labor (the *Australian*, 16 April 2001 attached) could be a very useful supporter of 'good government'. However, it needs to be pointed out that this idea is far from a Tony Blair idea. It actually comes from the European Parliament and all member nations have to establish such an entity. Britain is, in fact, being quite tardy and quite ultra-conservative in its approach. Ireland is a better place to look at this concept and it has been in place there for at least 10 years.

The principle thing to watch out for here is that "imitating" Britain (who are really only imitating Keating Labor anyway) will, by default, give us "Third Way" rhetoric and policy and the most common result of that for unemployed people is that they disappear into the language and the statistics but are not really assisted at all.

As Ireland found, unless social-change (more properly social-exclusion) units have "full employment" at their centre and genuinely include real, live disadvantaged people in their processes and discussions, they become just a different way of doing the same things.

A considerable contribution has already been made in this direction by Peter Botsman's "Job Zones" paper (avail at www.sen.org.au) and its companion piece on capacity building.

3. A Public Employment Services Provider

Any reasonable person's investigation into the submissions made by individuals and community organisations to the Welfare Reform Reference Group could not miss the considerable direct and indirect reference to the need for Australia to maintain a public employment services provider (ESP).

The scrapping of the CES in 1997 was publicly said to have been for reasons of ineffectiveness and inefficiency. Many Australians know that the primary reason was in ideological one and that it was by no means 'beyond repair' at the time.

Furthermore, its corporatised skeletal remains that became Employment National was a sop to supporters of a public ESP and, evidently, set up to fail as a key justification for the switch to a system that delivers a sub-standard service to fewer people and makes a profit (or "surplus") off the backs of unfortunate Australians.

When employment services are provided on the basis of there being an on-going need to return a profit (surplus), there is an in-built vested interest in not ending unemployment. This is a disgraceful way to treat citizens and support "corporate mates" in the process.

Many unemployed people who have spoken with UNEMPA and similar groups around the country make it abundantly clear that they are not served well by the privatised Job Network. The Productivity Commission report on the Job Network at several points vindicates our position that it was primarily an ideological decision not in the best interests of Australian citizens or of Australia as a nation.

UNEMPA has made submissions on this very serious issue.

Apart from anything else, two key problems stand out: a) making a profit on the back of the misery and frustration experienced by unemployed people is abhorrent to many; b) privatisation of the service has seen an almost complete shift of emphasis from serving the unemployed person ('finding the right job for the person') to serving the Government's ideological position (toeing the party line) and serving the employer ('finding the right person for the job'). One major effect of this is to set in place a system that deals as a matter of priority with the 'easy cases' (those who can be placed with little effort) and leaves the more difficult cases (e.g. the long-term and 40+ unemployed people) to take what scraps of employment are left over or just "parks" them and gives them virtually nothing.

However, whatever system is chosen, one burning issue remains unresolved. Scores of skilled, talented, experienced, educated people remain in the Job Network queues while the JN members themselves “shop around” for staff and end up employing people their “clients” find quite unsuitable for the positions they hold. Why aren’t these people contacted as a matter of priority and given every opportunity to take up this work – FIRST! Many of these people have exactly the right kind of disposition and understanding that would be required in this work and many have been waiting for years for a half-decent opportunity to emerge.

Often one of the key reasons for problems in these so-called service agencies is the absence of the very skills unemployed people possess, yet they continue to be discriminated against.

Employers claim to appoint staff “on merit” but, upon investigation, it is evident they themselves are infected with the same bias and bigotry as is evident in much of the corporate world and do not even interview unemployed people.

All ESPs should be mandated to re-train and employ suitable people from their own lists of employment seekers.

4. Major Regional and National Employment-intensive Projects

Although this is rightly a matter for the proposed community reference process and NEST, discovering, identifying and planning (or assisting others in planning) people-intensive, sustainable, employment-generating projects is absolutely essential – and overdue.

Currently Australia is experiencing, in real terms, a shrinking of the pool of decent paid work (relative to the size of the workforce) available to the population. If we continue on this road, we can fully and legitimately expect that Australia will go belly-up not too far down the track and become a divided, paranoid and very unfriendly place to be. For example, we cannot sustain our present levels of enforced volunteering (which demands more “welfare”) and legal tax avoidance (which delivers less revenue); neither can we sustain a system where unpaid overtime consumes enough work to employ most of the unemployment queue.

Australians, by and large, did not vote for the scenario we presently have – we got it by default. Choices as important as this should be entered into intelligently and democratically, not forced on us by default. In other words, some sort of plebiscite should be held to determine, “yes” or “no”, whether this is our preferred vision for our future. I seriously doubt it is what the majority of Australians would choose if presented with a range of options.

By the same token, we can only get off the road we are on by doing whatever we can to increase the size of the pool of decent paid work. Currently, we are losing roughly the same number of ‘jobs’ as we are creating. In the process, we are dramatically increasing the number of ‘jobs’ that are, one way or another, short-term in nature or unpaid. To increase the size of the pool of decent paid work, we have to think differently and do things differently.

In doing so, we may be seen to be bucking the trend, but surely that is the only thing that will halt the process and deliver what Australia needs and Australians want.

We do not need a single idea from a single ‘hero’ riding into town on a white steed from some far-flung corner of the globe (aka the U.S.A. or the U.K.) As the title of this submission says: *The Answer is a Concert, not a Solo*. And all the instruments and players are here, waiting in the wings for the hero-seekers to get off the platform and let us tune up and start playing.

Included with the material is the CoffEE proposal for a Community Development Job Guarantee (CDJG) – which we support and which, in our view, should be implemented forthwith, without excuses, Australia-wide.

Australians have never been afraid to think for themselves. We are one of the most ingenious and creative peoples on earth. However, this ingenuity and creativity has been stymied and

crushed in the mad rush to worship at the altar of globalism and economic fundamentalism, often assigning thinkers and visionaries to the margins and the political waste bins.

We believe it is time we turned our ingenuity and creativity to solving our biggest problem – our failure to recognise that our people are our greatest and most enduring asset and our failure to ensure that our people (all, equally) have a real opportunity to earn a living and enduring income independent of Government.

“Green to Gold” (included here) is a project that fits under this heading too and is, in our view, deserving of serious consideration and further development.

An important consideration here is that raised by the boring question: “how will we pay for that?” It is a boring question because economists the world over know that national governments do not have to have ‘money in the bank’ to implement ideas like those outlined here.

OECD nations’ national governments have been hood-winked (and have subsequently hood-winked their citizens) into believing the myth that national budgets are like household budgets.

“There is an analogy drawn between household finance and the government budget in the orthodox economics literature. It is entirely fallacious at the Federal level and has been used to advance economic rationalism at the cost of the disadvantaged (and society in general)...

“One of the most damaging analogies in economics is the supposed equivalence between the household budget and the government budget. The analogy is flawed at the most fundamental level. The household must work out the financing before it can spend. Whatever sources are available the household cannot spend first. Moreover, by definition a household must spend to survive. The government is totally the opposite. It spends first and does not have to worry about financing. The important difference is that the government spending is desired by the private sector because it brings with it the resources (fiat money) which the private sector requires to fulfil its legal taxation obligations. The household cannot impose any such obligations. The government has to spend to provide the money to the private sector to pay its taxes, to allow the private sector to save, and to maintain transaction balances...

“The logic according to those who draw the household analogy follows like this. Any excess in government spending over taxation receipts can be financed by borrowing from the public. Orthodox economists shun the use of non-interest bearing debt or currency as a means of financing budget deficits. They hold on to the discredited quantity theory of money which says that this method of finance will promote a rise in the money supply and inflation.

“The orthodox analysis is not only fallacious but it is also dangerous because it has resulted in periods of persistently high unemployment as governments around the world have been urged to curb their spending and live like a sensible household.” [Emphasis added]

From “*How Economics is Failing Us*”, William Mitchell, Professor of Economics, University of Newcastle, Australia. Web page: <<CoffEE - Centre of Full Employment and Equity.htm>> at <http://e1.newcastle.edu.au/coffee/index.cfm>. Accessed 27/08/02.

The argument that “we can’t afford it” is a furphy, as evidenced by the haste with which we found the money for the “Pacific Solution” and the illegal war on Iraq, etc.

The economic truth is, we can’t afford to NOT do these things. We must again learn how to have “full employment” at the centre of national policy while we “manage” inflation, interest rates and wages, otherwise the long-term cost will be unbearable.

It is current orthodoxy that is unsustainable and prohibitively expensive, not the job creation strategies pointed to here and elsewhere.

(See also “The Grip of Death: A Study of Modern Money, Debt Slavery and Destructive Economics” in *NEW DAWN*, July-August 1999, pp 45-50 and “The Guernsey Experiment”, essay by Olive and Jan Grubiak, 1960. “The Guernsey Experiment” is an account of the monetary techniques, initiated in 1817, which contributed to the island’s prosperity and the low incidence of taxation. In particular, it is an account of the decision by the people of Guernsey to create their own money to build their roads and rebuild their public market and the very positive outcome of that.)

5. A National Strategic Partnership Function to Facilitate and Enable Enterprise and Community Development

Many times, the path suggested for unemployed people is to ‘become your own boss’; start a business. Enterprise Centres, Business Incubators and the likes have been put in place to promote and facilitate this process. The Commonwealth’s New Enterprise Incentive Scheme (NEIS) was specifically designed for the purpose of moving unemployed people into self-employment. The Commonwealth’s national network of Area Consultative Committees, originally set up under Keating Labor, now seem to carry some elements of a similar function – identifying projects and possibilities for employment generation.

However, despite the success stories that can be told about each of these strategies, they make no significant impact on unemployment figures – principally because they simply *cannot* deal with any significant number of the employment-seekers who would like assistance.

Furthermore, the ‘assistance’ that is available in these programs is not available anywhere near widely enough, nor is it anywhere near adequate in terms of what is necessary to get an enterprise up and running. It is very doubtful that any more than 1 in 1000 people interested in going down this road can be assisted to get a project or venture off the ground – for a range of reasons, not the least of which is the prohibitive eligibility criteria.

UNEMPA suggests that one of the main problems associated with these programs is that they are not united, nor are they sufficiently supported either by government, by business groups and professional associations, or by the general community.

UNEMPA’s vision goes by the name “Initiative Unlimited” (attached). In it, we propose that, as one of the projects under point 4, a brokering function be put in place to establish strategic partnerships across the full range of service needs for new enterprises – from accountants and solicitors, to suppliers and financiers, to advice and ‘mentoring’. In addition, this brokering function, in our view, should encompass both monitoring the rules and guidelines of the scheme to ensure inclusiveness, and being a unifying force to ensure comprehensiveness on the one hand and the elimination of duplication on the other.

Our proposal also encompasses the point that not all “enterprises” need to be for-profit ventures, but can also be “not-for-profit”. Consumer co-operatives, franchises and a wide range of social enterprises could also fall within the scope of this proposal.

If the brokering function to establish strategic partnerships were to be carried out, it would require only minor adjustment or extension to embrace the need to find alternative functioning models and funding arrangements to do two other things: a) return unfunded community centres to a decent financial footing and b) permit the establishment of new social enterprises and social infrastructure employment projects. (See CoffEE’s CDJG.)

6. A Considerable Enhancement of Australia's Social Justice Functions

The current breaching régime for employment seekers is, putting it kindly, draconian and very regressive. It takes little thought to establish that it works on the basis of "guilty until proven innocent" and the only way to prove innocence is by appeal against the equivalent of a conviction. In addition, the penalties and punishments meted out to the alleged guilty parties, who have actually committed no crime, are clearly more severe than sentences handed out to some Australians found guilty of actual crimes such as drink-driving, fraud and bodily-harm.

The pressures imposed on job-seekers to look for jobs that just aren't there are now quite extreme and seriously over-zealous. Consequently, unemployed people find themselves with all kinds of legal problems from divorce settlements to claims for injury or unpaid wages but are unable to afford adequate legal assistance.

Furthermore, there are very serious questions about the legality and enforceability of the Activity Agreements employment seekers are currently being forced to sign upon threat of loss of all social security income. These 'agreements' are not agreements at all. They are entirely one-sided affairs that unemployed people sign because they will have their payments cut off if they don't. It is doubtful that such "contracts" are truly binding. The question is whether the Federal Parliament is bound by law or constitution to make laws that are not themselves in breach of other laws – in this case, contract law.

We would be making progress if we just applied the recommendations of the 1977 Myers Report. Australia has known for over 25 years that the application of a strict 'work test' is both stupid and counter-productive. It is stupid because, as Myers pointed out, it generally only leads to "churning" in the job queue – one person gets a job and another loses theirs. It is counter-productive – again as Myers pointed out – in that genuine job-seekers (the vast majority) find it completely unnecessary and quite offensive – they don't need to be forced to look for a job or to take a genuine job genuinely on offer.

The services available through Legal Aid and Community Legal Centres / Welfare Rights Centres are severely limited either in their demographic reach or in their depth. If all the needy, worthy and deserving cases from across the nation were to present themselves for the assistance they needed, these services would be profoundly inundated and overwhelmed.

State by State, Australia needs a complete reassessment of its social and economic justice needs represented by the matters raised here. Our proposal is that a quality social and economic rights function be established, as a minimum, within reach of every Centrelink office in Australia. This could be done, albeit with some different specifications, along the lines of the "social-change unit" referred to earlier.

CONCLUSION

While the strategies contained in this statement would go a long way down the road to turning around Australia's deteriorating employment problem, each of the six items in the statement are themselves a perfect opportunity to directly re-employ unemployed people. One of the key principles behind programs like Queensland's Community Jobs Plan is that it remains vastly easier to get a job if you have a job. This is a very important principle to understand and the State Governments are to be congratulated for the inclusion of this type of program in their thinking and policy.

On the other hand, the Howard Government is to be condemned for replacing the equivalent Commonwealth program with the work-for-the-dole scheme which is, by definition, a bonded labour program and, as such, is in breach of our obligations under Human Rights Conventions.

The success rate of CJP-type programs is far superior, on all measures, to that of WFD. Furthermore, CJP-type programs achieve all the things claimed for WFD and much more

besides, including far superior job outcomes. In the long run, WFD will cost more than programs that actually provide genuine welfare-to-work initiatives.

UNEMPA believes that the principle cited above could be applied to the re-deployment of unemployed workers into the Commonwealth and State bureaucracies – either as paid staff or as contractors/consultants – to work on this strategy statement, with a view to moving on into other employment as it becomes available.

It is recognised that not all the employment opportunities that exist within the administration of these proposals could, for practical reasons, be taken up by unemployed people. However, it should be established at the outset that as many of them as possible be offered to seriously under-employed people and the unemployed people in the categories covered by labour market programs.

One thing is for certain: if we do not deliberately aim for full employment, we will not – indeed we *cannot* – reach that destination.

-- ENDS --

THE ENTERPRISE / SELF-EMPLOYMENT OPTION FOR UNEMPLOYED PEOPLE.

- ❖ The main “options” theoretically available to unemployed people in Queensland are:
 1. regular or traditional employment – full-time, permanent (severely limited)
 2. regular or traditional employment – full-time, temporary (somewhat limited)
 3. regular or traditional employment – part-time / casual (increasingly available)
 4. contract / sessional / ‘consultancy’ employment (severely limited)
 5. seasonal employment – low-wage (very limited)
 6. self-employment / enterprise (very limited)
 7. portfolio employment – combination of several of these (difficult to establish & manage)

- ❖ What is the picture for older, long-term unemployed, indigenous and migrant workers?
 - Wide range of discrimination: e.g. age, employment continuity, language / culture, personality type
 - Employment queue operates on the FILO/LIFO principle, not FIFO/LILO
 - Excluding nature of the major clash between “equal opportunity” and “on merit”
 - Powerlessness to influence policy or practice related to these matters
 - Severely limited to non-existent liquefiable assets or access to credit
 - 1-6 above are largely NOT REAL options
 - Probably no more than 1 in 1000 can access 6
 - 7 not a viable option for many without considerable, ready assistance

- ❖ What are the main options on the “radar screen” at items 6 and 7?
 1. Self start-up (independent or franchise)
 2. NEIS
 3. Enterprise Centres
 4. Business Incubators
 5. ACC / RAP funding

- ❖ What are the limitations of these options?
 1. Self start-up (independent or franchise) – almost never a viable option: finance, mentoring, ‘markets’, tax/legal issues
 2. NEIS – very rarely an option: targeting, qualifications, restrictions, finance
 3. Enterprise Centres – almost never a viable option: ECs are stage 2 or 3 not stage 1, qualifications, restrictions, finance
 4. Business Incubators – ditto
 5. ACC / RAP funding – almost never a viable option: targeting, qualifications, restrictions, mentoring, ‘markets’
 6. These options are mostly independent / stand-alone: there is virtually no lateral linkages / relationships between them, many gaps, some overlap, virtually no co-ordination.

- ❖ *Initiative Unlimited* is an idea that can be visualised as an umbrella over all the above options and the gaps both inherent within and between these options. It would serve to increase options, fill in gaps, eliminate overlap and redress eligibility and qualification exclusions.

- ❖ *Infrastructure*. Some important infrastructure is already in place: Employment National, Business Incubators and Enterprise Centres, unused State School or TAFE facilities.

This page of my submission is a Microsoft Excel spreadsheet.

It is a graphical representation of how Initiative Unlimited might be structured and how it might function.

It is included as an attachment to this submission.

The file name is: < InitiativeUnlimited_02.xls >

Please refer to this file.

SOLUTIONS TO UNEMPLOYMENT AND SO-CALLED 'WELFARE DEPENDENCY': In the absence of any "simple solution", is there a not-quite-so-simple composite solution?

Kevin Brennan: President, Unemployed Persons Advocacy, South Brisbane and Spokesperson for the Australian National organisation of the Unemployed

1. LOCAL GOVERNMENT

One of the major contributing factors to "the illicit drugs problem" is unemployment. This is acknowledged in national and international conferences. The Brisbane City Council's drugs forum task force has acknowledged this.

What we are looking for from Council is that the process entered into on the drugs issue (task force, forums etc.) be replicated on the subject of unemployment, utilising the skills and knowledge of current employment seekers. This could be replicated in all local government areas.

We also ask Councils to make a strong public statement on the need for "full employment" – which we describe as a situation where anyone who wants to work can get a decent job in a reasonable amount of time – by adding their name to any "sign up to full employment" campaigns.

2. STATE GOVERNMENT

What we are looking for from State Governments is a full employment task force that actively seeks the ideas, energy and talents of unemployed people and facilitates these into active and energetic re-deployment programs and packages, "owned" and operated by currently unemployed people. We should be no less enthusiastic and determined about doing this now, in our present deplorable situation, than we were in re-deploying soldiers following two world-wars.

3. FEDERAL GOVERNMENT

What we are looking for from the Federal Government is the replacement of a re-defined "full employment" as the unifying core of policy development and government action, with "economic management" as the servant of the citizenry, not its master.

Commensurately, we are looking for the necessary structures and processes to initiate this and then keep it running, re-deploying existing unemployed people as "employees of first resort", in a high priority, high profile, national employment strategy at least as significant as the post world-war re-deployment programs. [For an example, see "Green to Gold", © Copyright 2000, Robert Hughes, Brisbane, Queensland.]

4. ALL 3 LEVELS OF GOVERNMENT

What we are looking for from all 3 levels of government – **in concert** – is the introduction of structures and processes that allow for the direct input of the ideas, energy and talent of unemployed people into the decision making and planning processes of public policy on employment, community service and social security issues.

We also call on all governments to cease the practice of using "volunteers" to perform public service functions. All existing "volunteers" should be asked whether they really want paid work and, wherever possible, the person doing the work in question be paid normal wages for that work if they do.

COMMENT

Free-labour schemes and cheap-labour schemes (of which current “volunteer employment” practice and work-for-the-dole are the clearest, most blatant examples) are rapidly destroying genuine paid employment and genuine volunteering. Governments of all types and colours can turn back this process by quarantining all normal and necessary government functions from volunteering and offering workers doing that work fair pay for their work. They can also institute a régime to end the practice of commercial, for-profit businesses using unemployed people as short-term, free labour by allowing them to do voluntary work and then telling them there are no jobs going. Unpaid, voluntary “try-outs” are open to rampant abuse and rarely lead to genuine employment.

The kind of things we talk about in our work are not the current *handful* of *micro-projects* that *might* get a few hundred – or even a few thousand – unemployed people back to work. These are almost always quickly undone by reaching the end of their funding, or by retrenchments in other areas. What we are talking about is a broad and large scale frontal attack on unemployment by vowing to empty the unemployed pool within (say) 3 years. With a bit of courage and vision, it can be done. We say it must be done – and if governments cannot see how, they are listening to the wrong people.

The argument that Australia can't afford these ideas is a furphy promoted and supported by aggressive and cannibalistic overseas capital interests who only see Australia for what they can get out of us. We say Australia can't afford *not* to do these things – for the sake of its citizens.

Australians – all of us – need to own, protect and develop Australia, Australians and Australian interests. No-one else is going to. This does not mean closing ourselves off to the rest of the world, but it does mean protecting ourselves from being puppets on invisible strings in the hands of unknown, faceless predators lurking in the international marketplace.

The first step in being a strong, mature country is demonstrating to our own selves and our fellow-citizens 1) that we care and 2) that we want ALL the available work in Australia to be paid for, to be remunerated at a rate that reflects cost of living not some presumed capitalistic valuation of the work performed and to be equitably distributed to all who want to work.

If your immediate reaction is to accuse me of being a “Marxist” or some other “ist”, let me assure you that, in my education, I have deliberately not read or studied much of Marx and various others precisely to avoid such insulting tags. I am capable of thinking on my own and what I am espousing here can best be described as “Kevinist”. It's also just as relevant to describe it as Ronist and Billist and Marthaist and Joanist and Clareist and Jackist and Aaronist. If given the opportunity to say so, many, many Australians would say just what I have said, but in their own words.

We cannot - nor should we - listen to the gurus who want to keep a large pool of citizens unemployed and under-employed because it suits international capital interests to do so. If capital only flows to nations who abuse, neglect and vilify their own people, it is capital we don't want.

Many Australians have started a process of clawing back influence over our own destiny and lifestyle and we will not be deterred. Government belongs to us, not to an elite acceptable to the United States and others. Presently, untouchable and uncontestable Government decisions are keeping over a million of our citizens out of decently-paid employment. Such a Government must be prepared to foot the bill to “keep” those citizens in a state of “faring well” (the true meaning of welfare). If they refuse to do so, that government deserves to be soundly defeated.

As it has been in many other places and in many other times, the excluded people have within themselves the solution to their own problems. Sadly, governments think they know best and fail to see (or choose not to see) the things that prevent citizens from finding, owning, implementing and managing their own solutions.

Australia has done this for at least 25 years and now - allegedly - we have a “welfare problem”. Truth is, it is not a welfare problem, but a crisis of vision and courage. This malaise is quite treatable, but not with traditional medicine.

There is a sacred scripture that says, “he who now letteth will let until he be taken out of the way.” Translated into the present, it roughly means “the hinderers will continue to hinder until they are removed or have their source of power cut off.” Hinderers rarely change their minds. In Australia, the disadvantaged people are the ones accused of being welfare-dependent. Their accusers – the ones vilifying them and making their life miserable – are the same ones who are hindering virtually every reasonable possibility for disadvantaged people to alter their circumstances. They are prescribing medicines that we already know do not cure the disease, but only mask the symptoms.

As I and others made quite clear to the Welfare Reform Reference Group, there are two parts to the cure for supposed “welfare dependency”: one is paid employment for all who want it. And the road to this begins with the removal of the truck-loads of barriers. When opportunities are unearthed, the answer should default to “yes - unless there is some major obstruction”. As it is, the answer usually defaults to “no - unless you jump through this series of hoops”.

The other part of the cure for supposed “welfare dependency” is to re-define welfare. This means we have to stop pretending that a few Centrelink payments constitute “welfare” (most notably, benefits paid to sole parents, unemployed people and some disabled people) and stop pretending that a whole range of other things are *not* welfare (such as legal tax avoidance, corporate/business “incentives” and bonuses, benefits and excessive salaries paid to politicians and bureaucrats).

All the ideas necessary to end supposed “welfare dependency” in Australia are written up in the mass of submissions made to the Welfare Reform Reference Group. Few if any besides the punishment ones made it into the McClure Report. Fewer still have managed to reach the consciousness of the gaggle of politicians and bureaucrats who make all our decisions for us.

True “welfare reform” starts when the hinderers are removed or rendered powerless and the sooner the better. I simply say: it's all there folks; when will it be done? Until a redefined, revitalised “full employment” becomes the cry and the heart-beat of our nation, “welfare dependency” will remain the sole – albeit totally inadequate – income for many of our fellow-citizens. It takes much, much more than “pull yourself up by your own boot-straps!” to empower the entire able-bodied workforce to return to having an income based on gainful employment. We know from 25 years experience that such an approach is a dismal failure.

There are all too few champions of these concerns in the ranks of Australia’s public officials. Our current anti-politician mood is an outworking of this. If, in order to bring about much needed change, all we as citizens have is the ballot box, then God help Australia. Electorates punishing governments at the ballot box are the direct result of governments punishing electorates for ‘crimes’ they are not guilty of (being trapped in unemployment or on welfare, for example – they are not crimes but they are treated like crimes). The only way to flip out of that downward spiral is to get the general population, particularly the direct stakeholders, engaged in finding, planning and managing their own solutions to these problems. If there is any public will or desire or hope for answers, then work *with* the stakeholders to execute *their own* solutions instead of trying to scrunch stakeholders into your political party or bureaucratic solutions.

-- ENDS --

Terms of Reference (1)

Measures that can be implemented to increase the level of participation in paid work in Australia

e. *What do we do while we wait for the bus that never comes?*

- *Synopsis of Masters Dissertation*

* Kevin Brennan, Master of Public Sector Management, Griffith University 2000.

[Filename: Dissert_Synopsis.htm]

- *Reference Papers*

- *A Community Development Job Guarantee, a New Paradigm in Employment Policy, CofFEE, April 2003*
- *Job Zones and the New Poverty, Peter Botsman, 2002*
- *Australia's Capacity Paradox, Peter Botsman, 2002*

“

The creative and rewarding use of leisure should be at least as central a concern as the need for meaningful work.

”

Paul Wachtel in *The Poverty of Affluence*

What do we do while we wait for the bus that never comes: The Powerlessness of unemployment

© Copyright September 2000, Kevin Brennan, Brisbane, Australia

This paper is a dissertation submitted for the award of Master of Public Sector Management from Griffith University, Brisbane, Australia (awarded April 2001) under the title of "A Veiled Nexus"

by Kevin Brennan, President of UNEMPA in Brisbane.

The dissertation was awarded a Distinction.

The following paragraph was written by the external marker of the dissertation.

"I have marked the thesis down because of its failures in terms of the mechanics of academic research but I have marked it up strongly because this thesis gave me the kind of 'reality jolt' which few academic works on the subject ever administered; and I commend the candidate in his struggle for this agenda politically which I do believe carries the seeds of any future resolution of the problem of 'unemployment'."

Dr Paul Smyth,
School of Social Work and Social Policy,
University of Queensland, St Lucia.

Table of Contents

- Introduction
- Section 1: The Case for Powerlessness
 - Globalisation
 - Consultation
 - Consumer Choice
 - Citizenship
 - Mutual Obligation
 - The 'Merit Principle'
- Section 2: Is Employment the Answer?
 - Full Employment
 - Economic Growth
 - Statistics
 - Language / Definitions
- Section 3: The Case for Re-empowerment
 - The Concept of Power
 - Power Resources
 - Re-empowerment
- Conclusion
- Bibliography

Synopsis

It is fairly evident now that the short-run expectation for the unemployment crisis that hit Australia in the 1970s was naive and misguided. Long-term unemployment is now well established in experience and in the literature.

It can also be seen from the literature that unemployment is a continuum of sorts, intersected by a variety of connectivities. Each nexus contains its own sub-set of issues, conflicts and political questions. One such, albeit often veiled, nexus exists which forms the central theme of this work: powerlessness.

The relative failure of the actions of the Australian community and successive governments to adequately deal with unemployment demands a new model of studying it and of policy-making around it. Positing it as an acceptable subject for clinical econometrics has led to the 'dehumanisation' of the problem and thence to a disempowerment of unemployed individuals.

The vast majority of unemployed people are stymied. If the answer to unemployment is employment, but that is not coming; and if society is not prepared to pay the price of inclusiveness, then what are unemployed people to do while they wait indefinitely.

A case can be made for powerlessness resulting from a failure of policy. A study of a range of theoretical and policy areas would suggest that, contrary to the rhetoric, they generally tend to disempower unemployed people.

For example, the "customer focus" idea is about making the switch from 'client' to 'customer' in the new model of social and community service delivery. According to one DSS study, this requires "voice, choice and contract". But, in reality, unemployed people, for a variety of reasons, have no more choice under the new model than they did under the model it replaced. Further, very few studies of unemployment, no high-level conferences, and few governments have given voice or heed to unemployed people's own views of need or to their opinions.

The "citizenship debate" is another example: if citizenship retains its quasi-definition on market lines (the "citizenship as consumerism" line), and if governments maintain a steady course of resisting decent employment policies, it will follow that an increasingly large pool of people will be second class citizens, fully meeting excessive obligations yet remaining stigmatised, unheard and not truly citizens.

A case can also be made for powerlessness through the failure of political imagination. The accepted dogmas of "fight inflation first" and "economic growth is the best way to make inroads into unemployment" seriously lack imagination.

The long-cherished idea of "full employment" needs thorough re-invigoration to capture the imagination of politicians, public and international capital alike.

Alternatives to the idea that economic growth is the best way do exist. Yet we continue to fail to do what needs to be done in favour of doing what other interests want.

The usual, long-held meanings of 'employment', 'job' and 'work' have little relevance in the new language of industrial relations and employment policy. The Commonwealth government is well aware of this and makes use of the new approaches, but makes no attempt to locate them in a paradigm that is more socially just or economically equitable.

Unemployment and other statistics do not accurately or properly reflect the reality of the situation faced by unemployed people, thus fostering a situation where lack of imagination and failure to act in the interests of unemployed people does not have

significant political consequences and indeed can enhance a government's position of control, and international standing.

At least four possibilities for a much more imaginative approach present themselves: renewed 'ownership' of an updated paradigm of full employment; active recognition that economic growth is only part of the answer; consideration of alternative work and leisure concepts and strategies; commitment to break down the myths and stereotypes by a more honest version of the employment/ unemployment situation. That whole-hearted attempts have not been made in any of these areas demonstrates a failure of political imagination. Overall, the situation leads inevitably to increasing levels of powerlessness

A 'new politics of unemployment' is required: one which embraces a 'politics of meaning' and a 'politics of inclusion'; one which picks up the full employment baton and infuses it with radicalism, new state institutions, the voices of unemployed people and rights-based thinking.

All of this signifies a need for a 'paradigm of power'. In the view of this study, now, more than ever, it is time the victims of the 'unemployment industry system' fought back. With few resources apart from what they stand in, this paradigm of power - choices, liberty and dignity; through self-efficacy, self-advocacy and self-help - presents for unemployed people an opportunity to help both themselves, the wider community and the nation as a whole.

It does, however, require a change of awareness and a change of heart - in short, social and political permission for unemployed people to be full citizens. The solution to the problem lies within unemployed people's efficacy, advocacy and capacity. The missing ingredient is the permission and the economic resources to effect the solution.

-- ENDS --

Terms of Reference (1)

Measures that can be implemented to increase the level of participation in paid work in Australia

f. Generating jobs – Reference Papers

- **Generating Jobs in Regional Tasmania (University of Tasmania, March 2002)**
[Filename: Generating Jobs_Tas.pdf]
- **Job Creation Ideas (UWG Townsville)**
[Filename: Townsville Job Ideas.doc]
- **Generating Jobs (ACOSS)**
[ACOSS information paper October 2001]
- **Overcoming Joblessness in Australia (ACOSS, February 2003)**
[Filename: info325_bps_unemp_final.doc]
- **Model for Full Employment in Australia (UPM South Australia)**
[Filename: model.htm]
- **Pathways to Work (Boston Consulting group, January 2001)**
[Filename: PathwaystoWork.pdf]
- **Background paper for national job creation (Nick Francis, Sambell Oration October 2002)**
[Filename: sambell02_background.pdf]
- **Green to Gold**
[Filename: GREEN TO GOLD.doc]
- **Small Town Renewal: overview and case studies (RIRDC)**
[<http://www.rirdc.gov.au/reports/HCC/01-043sum.htm>]
- **Full Employment in 5 years (The Jobs Letter)**
[Filename: Jobs from Sustainability.htm]
- **Proposals for Action (Anne Feeney, NEEF September 2001)**
[Filename: 0417_BridgingGap_NEEF_4pp.pdf]
- **Focus on Jobs**
[Joint Statement by Australia's Major Charities, October 2001]

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Measures that can be implemented to increase the level of participation in paid work in Australia

g. International models – Reference Papers

- ***A Global Agenda for Employment***
 - * ILO Discussion Paper
[Filename: globalagendafor employment_ILO.pdf]
- ***A European Strategy Based on 4 Pillars***
 - * European Parliament Background Paper
[Filename: What to do A European employment strategy based on four pillars.htm]
- ***The National Anti-Poverty Strategy***
 - * National Economic and Social Forum, Ireland
[Filename: NAPS.zip] a zip file containing multiple files.

“

The central global challenge at the start of the 21st century is to secure decent work for people everywhere in conditions of equity, security and human dignity and thus draw out of poverty the 1.2 billion who are living below the poverty line.

”

Terms of Reference (1)

Measures that can be implemented to increase the level of participation in paid work in Australia

h. Strategies in inter-related areas

- ***Welfare Reform recommendations (UNEMPA)***

[Filename: Welfare Reform Submission 1.doc]

- ***Reference Papers***

- *A Drought of Jobs* (CofFEE, June 2003)
- *Money can be created without debt or inflation* (The Guernsey Experiment)
- *The Grip of Death: a study of modern money, debt slavery and destructive economics*, Michael Rowbotham in *New Dawn*, July-August 1999
- *Creating Livable Alternatives to Wage Slavery*
- *Towards a Fairer Future*, Brotherhood of St Laurence, 2001
- *Combating Prejudice Against the Unemployed*, the Irish National Organisation of the Unemployed
- Papers by Sharon Beder, University of Wollongong:
 - * "Selling the Work Ethic";
 - * "Welfare, the Work Ethic and Propaganda";
 - * "Why hard work isn't working any more";
 - * "The Promotion of a Secular Work Ethic"

Part A. SUGGESTED CORRECTIVES – some recommendations

The Discussion Paper contains several points at which it expresses - in different words - what is being sought in submissions to the Reference Group. In summary, we have translated these into three broad headings - all focused on the prevention and reduction of welfare dependence:

- A "new", "modernised", "partnership" approach
- Possible initiatives, strategies and options
- Specific "matters for further consideration"

At this point, however, we are at pains to point out that the suggestions we make are presented against a backdrop of an absolutely necessary reconsideration of parts of the Terms of Reference. We refer the Reference Group's attention to the sections on the Reform Principles and the Terms of Reference in Part B of our submission for additional material.

➤ **A NEW, MODERNISED, PARTNERSHIP APPROACH to the Prevention and Reduction of Welfare Dependence.**

- At the heart of current policy is the dictum that an unemployment rate of between 6 and 8 percent is the ideal for a "modern" globalised economy such as Australia. With a rate of around 7 percent, government feels no obligation to reduce unemployment, only welfare and welfare dependence. This allows the status quo to remain where bottom-end wages are kept low by a subtle form of blackmail, and top-end pay can blow out because of presumed "success" in reducing costs and increasing share value.

A very useful initiative would be an enforced obligation on government and employers to:

- a) prevent any more people falling into the long-term unemployment pool, and
- b) empty the pool - on a first-in, first-out basis - within 3 years.

The argument that such an action would trigger rises in inflation and interest rates only serves to prove the point that greed and self-interest are with us to stay and are the main causes of welfare dependence.

If our government intends to stick to the current régime, the only way to avoid welfare dependence is to regulate working hours, working weeks, or working years.

For example, a regulated 40 hour week with unemployed people re-employed to do the rest of what needs to be done, would probably eliminate the unemployment queue. It would also give a large boost to tax revenue. If the intention is to NOT do this, then welfare at living rates MUST be paid and tax dodgers MUST be forced to foot the bill.

- The "old" approach has been one of systematic use of slurs, insults, threats of penalties and withdrawal of services which have been effective in discouraging some people from seeking welfare.

The new approach should be one which publicly abandons the old and treats unemployed people with dignity, respect and an acceptance of their value, their contribution and their point of view. One of the best ways of achieving this is to employ long-term unemployed people at all levels in all departments and agencies which affect them (including DFACS, DEWRSB, Centrelink and the Job Network) and in the Human Resources departments of companies, major corporations and universities.

The cost could easily be borne by redirecting some funds from top-level salaries and bonuses. (For example, one \$6 million annual bonus would employ 150 people.) Thousands could be removed from welfare benefits entirely

- The current approach being used is that of the *laissez-faire* style of several centuries ago, which created appalling ghettos of poverty and reinforced rampant stratification of society. Return to this style is on the increase.

A modernised approach would learn the lessons of history and reduce welfare dependence by a two-pronged approach of:

- a) placing a much more even value on all types of work needing to be done in the community,
- b) implementing a much more equitable distribution of that work and the benefits flowing from it.

Marketisation works in the opposite direction to both of these needs, hence the mitigation of market-induced outcomes (e.g. marked extremes in the respective value of different kinds of 'work') is critical to reducing welfare dependence.

- We endorse the concept (alluded to on page 7 of the Discussion Paper) of "new partnerships between all levels of government, business and the community" - what it and the Prime Minister call a "social coalition".

The formation of new partnerships between all levels of government, business and the community, in which unemployed people (especially long-term and over-40s unemployed people) are embraced and welcomed into the process, along with unemployment action groups.

One country calls it the National Economic and Social Forum and different strands within it include social action groups and individuals from the various disadvantaged groups. A clear advantage of this approach is that policies and ideas that promote welfare dependence (e.g. existing "taper rates") could be identified and eliminated early.

A good starting point for this approach would be the appointment of a long-term unemployed persons' representative onto every Area Consultative Committee in the nation (nominated by local focus groups of long-term unemployed people). An Australian NESF would include these people and financial compensation or incentives should be offered to them.

- The new, modernised, partnership approach to welfare dependence would of necessity embrace a more accurate, honest and equitable definition of welfare and dependence. For example, a long-term unemployed person receiving a decent employment allowance is not welfare but good economic and family policy. Whereas Australia's rampant tax avoidance and evasion is welfare for the rich.

Preventing and reducing welfare dependence means enforced obligations on all to pay their fair share of taxes with significant penalties for failure to do so.

- In our view, the Paper's assertion that "good economic policy is good welfare policy" is back-to-front. Good welfare policy is good economic policy because it puts people before philosophy. The current welfare system often rewards wrong-doers and discourages honesty, truth, integrity and ethical and moral initiative.

Better welfare policy overall would significantly enhance efforts to reduce welfare dependence by encouraging and rewarding honesty, truth, integrity and ethical and moral initiative.

- The "modern conservative" approach glorifies individualism and independence and self-interest over against community interest, inter-dependence and team-work. This, combined with the

prejudice of employers in favour of employing somebody already in a job over an unemployed person, is behind the phenomenon of rising numbers of two- (and three-) income families concurrent with rising numbers of no-income families.

Effective affirmative action provisions, coupled with effective anti-discrimination legislation would mean an effective sharing of the work and the rewards.

Failure to do so is, in our view, an abdication of responsibility - a failure on the part of government to meet its part of mutual obligation.

- The average working week in Australia has increased from 40 to 44 hours per week. In a workforce of 10 million people, undoing that would create 1 million jobs.

A proper sharing of available work has the potential to give 1 million people a job, contribute \$6 billion to government revenue in income tax, remove probably double that from government expenditure, kick start many run-down communities and remove a large part of the angst which increasingly dominates Australian life.

The argument that this is too simple actually suggests that there is too much vested self-interest in policy and legislation development in Australia.

- We endorse and propose what we call the ROOR approach: Rights, Obligations, Opportunities and Rewards.
 1. **Clear, enforceable charters of rights for all Centrelink customers, including mutual obligation participants;**
 2. **Clear and equally enforced obligations on governments and employers, including obligations to share the risk and to compensate for breaches;**
 3. **Unambiguous and unimpeded opportunities for unemployed people to contribute real value to the community in their own unique way;**
 4. **Commitment by government, business and the community to offer fair and decent rewards for that contribution.**

Some may gloss over this suggestion with the presumption that these things already exist. We can easily demonstrate where, how and why they do not.

➤ **POSSIBLE INITIATIVES, STRATEGIES AND OPTIONS for the Prevention and Reduction of Welfare Dependence.**

For us, most of the initiatives and possibilities for reducing and preventing welfare dependence come under the single heading of **creating opportunities for unemployed people to re-enter the workforce, or start an enterprise.** The ever-increasing “Dead Sea” of long-term unemployed people demonstrates our point that little or nothing is being done for the vast majority of them – largely because, in a globalised economy, there’s nothing in it for government or for business.

This is the main impediment which must be addressed. In line with our ROOR model, the following paragraphs set out what we believe to be key initiatives.

- Current Mutual Obligation provisions are clearly very *un*-mutual. They weigh most heavily on the disadvantaged and barely at all on government and employers. The two recent Ombudsman’s reports (*Balancing the Risks* and *To Compensate or not to Compensate*) clearly demonstrate this.

We want to see ‘Mutual Obligation’ either rendered actually ‘mutual’ or abandoned altogether. Most long-term unemployed people are already active in the community. Mutual Obligation provisions should be considered only after a thorough examination of the work history and social and economic engagement of these people has been undertaken – case by case. Mutual Obligation must include, for example, significant recognition of prior learning (RPL) and recognition of prior endeavour (RPE) provisions.

If this were applied, many current welfare payments would not be considered either ‘welfare’ or ‘dependence’, but an inadequate reward for unseen and undervalued contributions.

- Welfare dependence is the price paid for the social and economic exclusion of late 20th Century *laissez-faire* philosophy. The only real alternatives to welfare dependence are raging greed and poverty OR equitably sharing the work and the wealth. The presence and the consequences of these alternatives can be seen clearly in various countries today in Europe, the Americas and Asia.

The stark choice facing Western governments in the late 1990s is:

1. **welfare dependence (a ‘more of the same’ approach);**
2. **raging greed and poverty (a ‘forward to the past’ approach);**
3. **equitably sharing the work and the wealth (an ‘equitable, sustainable future’ approach);**

Unless, as some do, we include a return of the ‘spiritual revivals’ of the past. We endorse and propose option 3 – equitably sharing the work and the wealth.

*A band of long-term unemployed people can be easily mustered to flesh out how that could be done. It would give a significant boost to the achievement by DFACS of its three Strategic Objectives: stronger families; stronger communities; and economic and social participation. Whereas much current policy, with its over-emphasis on the individual, is dividing families, discouraging community, and working against economic and social participation. We would be happy to be in a **mutual partnership** with the Department to illustrate this assertion and work to eliminate disincentives and therefore dependence.*

- Welfare dependence is fostered and supported by policies and rules that guarantee cash flow levels for unemployed people are well below genuine need, and keep them de-motivated. Whether you have a job or not, you require an income adequate to provide the basic necessities of life for yourself and your family. Newstart Allowance is substantially below the official poverty line income - even substantially below the level of full pension payments. Many

unemployed people take up casual work in an attempt to rise above a subsistence lifestyle. The Howard Government has abolished a number of facilities which enabled job seekers to gain financially from casual work (see Part B).

The following Initiatives are needed to prevent unemployed people from actually being worse off when they take action to help their own situation.

In relation to Casual Earnings and the Income Test:

- a) **Increase the \$60 “free income” component at least by the rises in inflation since the scheme was introduced;**
- b) **Abolish the 70% taper rate to compensate for income tax liability at 20% marginal rate.**
- c) **Set maximum taper rate at 40% clawback for earnings above the (increased) “free income” level.**
- d) **Casual earnings to be declared after they are actually received, not at the time the work is performed.**

Please note the following case:

John is a single adult who receives \$326 per fortnight Newstart Allowance. He secures 20 hours casual work in one fortnight. He earns \$200 which is recorded on his application for payment form. The result is:

	<u>Casual Earnings (Gross)</u>	<u>Amount of Clawback</u>	
First	\$60	NIL	
Next	\$80	\$40	(50%)
Balance	<u>\$60</u>	<u>\$42</u>	(70%)
	<u>\$200</u>	<u>\$82</u>	
	Reduced Newstart Allowance	\$244	/fortnight
Plus	Gross casual earnings	<u>\$200</u>	/fortnight
		\$444	
Less	Income tax liability @ 20%	<u>88</u>	
		\$356	
Less	Work related travel 4 x \$4	<u>16</u>	
	TOTAL INCOME	<u>\$340</u>	

- John has worked 20 hours for a nett gain of \$14 (or 70 cents per hour).
- John has not yet received payment from his employer but his Newstart has been reduced by \$82.
- If John had performed the 20 hours work spread across two separate fortnights, he would have been \$42 better off due to two income tests, each based on earnings of \$100.
- In effect, half of John's hours have not produced any additional income.

This example demonstrates that performing casual work does not financially reward job seekers for their initiative and effort. Tightening the income taper will simply reinforce the evidence that casual work does not increase job seekers' income and therefore keeps them dependent on welfare.

Given that most people who do not have to use the system are not familiar with this scenario, this example also demonstrates that, as it currently stands, the system is neither equitable, nor simple nor transparent, as the Discussion Paper suggests. Further, the costs to the community in terms of technological services and wages being spent on this system, further drains the coffers of money that should be going to the benefit of unemployed people in their quest to escape the welfare trap.

In relation to Public Transport Concessions:

Provide the unemployed with the concessional fares enjoyed by other social security recipients.

In relation to Bank Fees:

Waive bank fees and government stamp duty presently charged to the accounts of social security recipients.

- The current practice of putting large amounts of public money into private pockets for job-placement, training and work-for-the-dole schemes benefits unemployed people far less than putting the same money into community organisations to employ them on a decent wage.

\$10,000 in benefits, plus \$9,000 in Job Network costs could mean an income of \$19,000 for an unemployed person re-employed in the community, plus the possibility of adding to that without penalty.

The current system traps unemployed people in a no-win situation.

- The current 'targeting' of benefits and schemes (combined with the "taper rate" - see below) is excluding many people and worthwhile initiatives. NEIS is a worthwhile scheme but it is not universally available - indeed it is far too highly targeted, and it does not include sufficient quantity of a sufficient range of assistance measures: e.g. mentors and interest-free seed capital. Further, it prohibits the purchase of a franchise for very out-of-date reasons. This is particularly disconcerting, given that 80% of independent ventures fail, whereas 80% of franchises succeed.

An enterprise scheme with far fewer qualifications and a more realistic combination of assistance measures is one sure way of reducing welfare dependence. The long-term unemployed should be re-employed to run the scheme.

This matter needs urgent attention.

- The "taper rate" traps people in poverty until such time as they are able to get the equivalent of a full-time job. Clawback of benefits - including those of other family members - is nothing but a punishment for being in receipt of benefits. The Irish discovered this and changed the rules (see attached brochures).

Australia needs a scheme such as the BTWA and BTWAE in Ireland.

This would have the effect of benefiting everybody instead of the current system which benefits nobody - not even the supposed beneficiary, because the rate of payment (contrary to the Discussion Paper's assertion) does not alleviate poverty at all.

- The best way to reduce welfare dependence is to make employment, economic and social arrangements so that all who want to work for wages have an equal opportunity to do so AND to do so at wage rates that reflect the cost of living.

We suggest a program, at Commonwealth level, that forces the government to be vigilant in mitigating the contrary effects of decisions, legislation and departmental rules (e.g. NESF).

- The existence of an ever-increasing "Dead Sea" of long-term unemployed people (currently about half a million) demonstrates our point that the Job Network cannot effectively assist these people.

We suggest a NEW ‘no-holds-barred’ program (to replace Employment National) set up, run and managed by long-term unemployed people to prioritise the re-employment of the long-term unemployment pool. Engage the LTU in their own solutions.

This begins with direct dialogue with long-term unemployed people and their inclusion in the entire process – especially as members of the Area Consultative Committees.

- The current system does not provide enough assistance for recipients to do the things they need to do to get off welfare. Contrary to the Discussion Paper, the assistance provided DOES NOT alleviate poverty.

A significant increase is essential in payment rates OR in the tax-free threshold OR in the amount recipients can earn on top of benefits *before* tax cuts in. Add to that the quarantining of ALL benefit payments from tax liability even when some income is earned.

- Many people are discouraged from ‘participation’ because of abuse by employers and ‘volunteer’ organisations.

A ‘trouble-shooting’ line for volunteers and work-for-the-dole participants to report abuses and problems immediately and confidentially. Widespread community knowledge of the existence of the line would be essential.

- \$300 million has been injected into programs supposedly to “prevent the emergence of social problems” like relationship problems, domestic violence, youth suicide, youth homelessness and drugs, yet all of these would be helped substantially if the people involved were in decent work earning decent wages.

Amounts of money like this should also be put into jobs for individuals, not just into organisations and private businesses.

- It is an enormous misallocation of time and resources for long-term unemployed people to continually have to undertake “activities designed to improve their employment prospects” when the prospects are virtually zero (as evidenced by the figures continually quoted). Further, many of this pool of people have done so many of these activities that they are well ahead of most of the rest of the community.

Rewards or credits should be offered for years of initiative, study, re-training activities and voluntary work.

- Further, many of these activities have been undertaken at significant cost to the unemployed person, while the only people really benefiting financially from this are the private training businesses.

In recognition of the escalating cost of living and a reduction in real terms in benefit payments, reimbursement should now be offered to these people.

➤ **SPECIFIC 'MATTERS FOR FURTHER CONSIDERATION' for the Prevention and Reduction of Welfare Dependence.**

The following paragraphs are suggestions arising out of the 'matters for further consideration' sections in the Discussion Paper.

UNEMPLOYED PEOPLE - MATTERS FOR FURTHER CONSIDERATION:

- a. *The scope for broader economic and community engagement for long-term unemployed people aged 35-50 to improve their chances of getting a job by maintaining or increasing their skills.*

There presently exists almost limitless scope for broader engagement. The issue is not the scope for it, but genuine opportunities for it. Age discrimination and the complete absence of jobs, not lack of skills, is what keeps most workers aged 35-50 out of the workforce.

Recognition of - and redress for - age discrimination which currently keeps about 75% of this age group out of contention for most positions that would pay enough to support a family of 4 or 5.

'Affirmative action' provisions to give priority to long-term unemployed people.

- b. *The provision of more tailored assistance through the Job Network*

We support the concept of "more tailored assistance" but would not support it going through the Job Network. Too little of the money put into the ESPs actually goes to the unemployed person, and too much of it is spent on redundant activities.

If the job Network has to be used, a better approach would be for each ESP to employ several long-term unemployed people to establish and run "return to work" centres not hamstrung by "targeting" rules - available to help all comers, regardless of whether they receive benefits or not.

Finding more creative solutions for people with special needs should be an integral part of Mutual Obligation provisions. This ought to be a Mutual Obligation upon ESPs, especially given that there is a large pool of people available to be more creative if they cannot - they are currently called the long-term unemployed. Many of these people aged 35-50 are in a far better place than current Job Network employees to understand the situations and needs of long-term unemployed people. What is more, we believe it is time they were given an equal opportunity to do this work.

- c. *The scope to improve incentives to take up work or other activities for the long-term unemployed*

There presently exists almost limitless 'scope' to improve these incentives. Further, it is difficult to interpret this statement in a way other than the suggestion of increased force to make people comply.

Further, we must point out that the suggestion that all costs of participating in Work-for-the-Dole projects are being covered so as to prevent any extra burden on the unemployed person is simply not true. The suggestion that such costs involved in the activities being referred to here be met in similar fashion to WFD activities is therefore somewhat hollow.

We have elsewhere in this document outlined possible actions to encourage work take-up.

We insist on a) guaranteeing the reimbursement of costs to present and past WFD participants and b) guaranteeing that the costs of all similar activities be met - preferably up front, so they cannot be denied subsequently.

The suggestion of 'preserving' a small portion of benefit payment as a supplement ... is astonishingly parental and churlish. The people who are prepared to do all sorts of things to improve their chances (the majority) are treated the same as those who will do anything to avoid responsibility (the minority). This is a standard approach throughout Centrelink and its sponsoring Departments, and it is unfair, inequitable and simply Party-political ideology.

'Incentives' should be positive - give those who freely participate a little extra. It might just make them a little less angry about the injustice and a little less dependent.

OLDER UNEMPLOYED PEOPLE - MATTERS FOR FURTHER CONSIDERATION:

a. *The scope for broader economic and community engagement for older unemployed people to improve their chances of getting a job by maintaining or increasing their skills.*

The same applies here as applies to unemployed people in the 35-50 age group - only more so.

Pay them a decent wage for work in community organisations.

d. *The scope for streamlining and simplifying assistance for people aged over 50 years*

If economic policies are introduced that mitigate market forces for older workers, and affirmative action strategies are put in place, and over 50s are no longer discriminated against, streamlining and simplifying probably would not be necessary. It is clear here that good economic policy is good welfare policy.

We suggest the introduction a guaranteed basic income for all people over 50, including pensioners, and then adjust that figure up or down depending on individual needs and circumstances. No activity tests or mutual obligation provisions should apply.

e. *The option of assisting older unemployed people to undertake some form of economic or community activity*

Older unemployed workers usually do not require 'assistance' to undertake economic or community activity. The suggestion of 'assisting' them to do so would therefore appear to be yet another abuse of language to disguise force, compulsion, punishment, or penalty.

We reinforce our earlier statement that what is really needed is recognition, adequate and appropriate reward and equal opportunity.

f. *The provision of more tailored assistance through the Job Network*

We refer again to the similar item in the section on UNEMPLOYED PEOPLE

Job Network members should be not 'encouraged' but forced to find more creative ways... If not, then the jobs in those businesses should be given to the long-term unemployed (especially including the over 50s) to give them an equal opportunity to be creative and to be rewarded for it.

g. *Ways of encouraging employers to employ older workers on their merits*

The suggestion that older unemployed people MAY suffer undue discrimination from employers is another understatement. The HREO report revealed that ageism is rife in the Australian community. Several other groups (including some major human resource companies) back up the findings. One survey of 400 employers found that NOT ONE said they would employ a manager over 50.

We recommend mutual obligation provisions as ‘incentives’ for employers to employ older workers.

See also “EMPLOYERS...” brochure from INOU

PARENTING PAYMENT - MATTERS FOR FURTHER CONSIDERATION

h. Options for improving the provision of information ...

We strongly oppose any further incursions by Centrelink into the private information of its customers. Simple sums done on existing held information would provide the information needed.

We strongly oppose any further extension of Mutual Obligations provisions – especially any extension of it to apply to people receiving Parenting Payment. Being the sole or primary carer of children is a very significant contribution and participation in both the community and the economy. We should be rewarding these people, not extending their obligations.

b. The scope for increasing the number of people on Parenting Payment participating in the JET program.

The best way to increase the number of people participating in this and similar programs is to offer recognition as a participant to all those who are doing these things off their own bat.

We support and recommend a massive extension, nation-wide, of the successful “Community Jobs Plan” (see brochure).

We further suggest that a program be introduced that assists local community organisations (in every detail) to become and remain ‘incorporated associations’ in order to qualify for participation in the Plan.

c. The scope to improve incentives to take up work when parenting responsibilities allow.

Existing provisions give ample scope for government to increase the pressure on parents. What this Paper seems to be looking for is permission to ‘tighten the rope’ when it should be loosened.

Affirmative Action for men over 40 would represent a far better investment than more money into JET and like programs.

d. Potential for improving assistance to people on Parenting Payment to take up paid work or vocational education and training.

Of great benefit would be the removal of the ‘targeting’ of the existing assistance or its extension to cover university HECS costs.

Attention to the matters we have listed here would reduce welfare dependence. Potentially, it could eliminate it. Further, it would redress and begin to compensate for years of neglect and abuse of unemployed people and their rights, opportunities and rewards as citizens and as humans.

The Commonwealth Government cannot continue to maintain a pool of around 7 percent unemployment and, at the same time, encourage the harassment and vilification of the people locked out for the benefit of 'getting the economic fundamentals right'.

-- ENDS --

Terms of Reference (1)

Measures that can be implemented to increase the level of

Measures that can be implemented to increase the level of participation in paid work in Australia

i. Some helpful publications

(See large printed submission document as submitted)

“

When survival or mere existence is at stake, a society can focus only on the overwhelming needs of the moment and questions of meaningful work and leisure are considered purely academic. But we believe that the world has enough wealth to move all of humanity above survival and subsistence.

”

Alfonso Montuori and Isabella Conti in
*From power to Partnership:
Creating the Future of Love, Work and community*

Terms of Reference (2)

How a balance of assistance, incentives and obligations can increase participation for income support recipients

“

It's dangerous to be right when the government is wrong.

”

Voltaire

How a balance of assistance, incentives and obligations can increase participation for income support recipients.

This term-of-reference is very deceptively worded. It appears, on the surface, to be a rather clever exercise in semantics by slightly changing the emphasis from TOR1 to TOR2. TOR 1 is about participation *in paid work in Australia*, whereas TOR 2 is simply about *participation*. This raises the question of whether this is an innocent omission, or whether it is an attempt by the Federal Government to control the alleged 'consultation' process by employing somewhat dishonest measures such as these [see Byrne, J. and G. Davis. (1997) *Participation and the NSW Policy Process*, discussion paper for the NSW Cabinet Office. Sydney, October, pp.13-14]:

To prescribe parameters and constrain responses; to give the appearance of action in the face of an issue that won't go away; to avoid making the hard policy decisions (e.g. public education, vilification, discrimination); to validate decisions already made; to deflect criticism; to give lip service to the idea of consultation without substantially influencing the result.

It is fairly clear from the type and range of programs the Commonwealth employs and from the payment structure used to remunerate Job Network Members for their services that decision makers and policy makers accept that improving the unemployment situation in Australia is not a priority for the Government. Prime Minister Howard's words 2 days out from the 2001 election also suggest this acceptance: "There is little the Government can do to prevent unemployment from rising in the current economic climate." (*Courier-Mail*, 9/11/01).

In such a situation, it is more than reasonable for a staunch market-driven, hyper-capitalist government to insist on *participation* – especially, as in this case, where they determine what constitutes participation. Such definition of participation as employed by the government can quite validly be described as "activity for activity's sake". It can also be described as guaranteeing free or cheap labour for work the government sees itself as having no significant obligation to pay for.

There is scant evidence that generic participation does more for paid employment seekers than does simply going about their normal business of living and volunteering and looking for employment. The Commonwealth program that offers the best improvement figure increases jobseekers' prospects by 0.6%. For some job-seekers, the government's insistence on "participation" (under threat of harsh penalty) actually inhibits and/or thwarts their own efforts.

It never seems to enter the minds of some that the vast majority of jobseekers are, on their own initiative, engaging in more useful activity than is prescribed. What the government wants is the luxury of invading citizens' privacy by insisting that they monitor all their activity – the name of "mutual obligation".

So, what has all this to do with this TOR? If the government is setting the rules and all the important definitions (as currently in Australia), of course, by definition, what the government calls 'balance', 'assistance', 'incentives' and 'obligations' can deliver an increase in participation. All they have to do is threaten to take away what little income support recipients have to live on and they will comply to avoid starvation, homelessness, violence and crimination.

However, if the real intention is to increase *participation in paid work*, the idea that a "balance of assistance, incentives and obligations can increase participation for income support recipients" is laughable nonsense. One simply cannot participate in paid work if there is no suitable work available or if employers are too bigoted and prejudiced to employ (or even interview) unemployed workers.

Participation in paid work is about 97% valid paid work availability. The other 3% is divided between assistance, incentives and obligations. The idea that a "balance of assistance, incentives and obligations can increase participation *in paid work* for income support recipients" is about as stupid as talking about a square circle or enforced volunteering – or about making bread without flour.

If this inquiry is genuinely about increasing participation in paid work in Australia, TOR 2 is irrelevant and a clear side-track, since what a "balance of assistance, incentives and obligations" actually produces is dramatic increases in UNPAID work. All the evidence of the recent past since the imposition of "reciprocal obligations" and the "Mutual Obligation Initiative" confirms this.

One is thus forced to ask the question, since this regime is so good for business and for the government, what "incentives" or "obligations" do they have to upset the status-quo? In short, why would the government scrap a regime that brings such good returns to government and employers?

Hence, the Prime Minister can say "there is little the government can do to prevent unemployment rising in the current economic climate" with impunity and without challenge. It seems to matter little to anybody that it is a complete lie and a misleading of the Australian people, many of whom have swallowed the government line

However, with this submission, the lie is exposed as a cheap political stunt. There are clearly thousands of things that can be done, some of which, on their own, would almost entirely deal with Australia's unemployment problem. The deficiency is not with the people or with the economy but within and among the politicians, bureaucrats and ideologues who refuse to accept their mutual obligation to citizens and do what they want.

MP Tony Abbott, in 2001, talked about dealing with the "moral deficit" among the people by a perverted application of a "balance" of assistance, incentives and obligations. His problem was then and is now that he is incorrectly locating the moral deficit. The moral deficit lies with responsible Ministers, Senators and MsP who shirk their responsibility to do what patently obviously can be done and then, first, claim that there is little they can do and, second, blame income support recipients for the problem.

This is not just disgraceful politics, it is yet another case of "man's inhumanity to man".

The idea that "there is no simple solution" is a smokescreen to justify not doing what can be done. It may or may not be true that there is no *single* simple solution, but, as my work points out:

THE ANSWER IS A CONCERT, NOT A SOLO.

I end where I began

There is a great deal that can be done. We are ready, willing and able but don't have the resources or the authority. The government have the resources and the authority but don't appear to be ready, willing or able. Isn't it time for the government and us to get together to solve this crisis?

-- ENDS --

“

When spiders unite, they can tie down a lion.

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Ethiopian Proverb