



Theory and Practice in Australian Social Policy: Rethinking the Fundamentals Proceedings of the National Social Policy Conference Sydney July 14-16 1993 Volume 2: Contributed Papers

Author:

Saunders, Peter; Shaver, Sheila

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Theory and Practice in Australian Social Policy: Rethinking the Fundamentals

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National Social Policy Conference
Sydney, July 14-16 1993

Volume 2: Contributed Papers

Edited by
Peter Saunders and Sheila Shaver



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Foreword

The third National Social Policy Conference hosted by the Social Policy Research Centre took place on 14-16 July 1993. The theme of the Conference was *Theory and Practice in Australian Social Policy: Rethinking the Fundamentals*. This volume of papers from the Conference is the second of three published in the **SPRC Reports and Proceedings** series.

The contributed papers contained in this volume are accompanied by those published in the third volume of conference papers. Unlike in previous years, it proved impossible to group the contributed papers together in any intellectually coherent way, so we decided to include papers in alphabetical order by author. One potential advantage of this approach is that it may encourage a broader readership of papers than occurs when they are published in streams. If we have encouraged some to read papers they may otherwise not have, so much the better.

This year's Conference was divided into five broad social policy themes: Social Policy and the Economy; Ideas, Ideology and the Welfare State; Family, Community and the State in Social Care; Inequality; and Work and Welfare. In line with the overall Conference theme, paper-givers were encouraged to examine the fundamental purposes, frameworks and methods of Australian social policy, and put these in the context of the far-reaching changes taking place in Australia's society, culture and development.

The call to 're-think the fundamentals' on so many levels resulted in an exciting mix and range of papers. The fourteen papers in this volume alone cover topics as varied as job growth, youth homelessness, privatisation, care and disability, retirement, poverty, credit-rating agencies, the family, Aboriginal welfare, men's and women's welfare states, and the long-term unemployed.

These papers remind us also of the importance of events like the National Social Policy Conference. Such events remain vital to the vigorous and healthy development of social policy because they are occasions where individuals, researchers and practitioners can gather and exchange ideas instead of working in relative isolation from each other.

The high level of community and media interest in this year's Conference also indicates that social policy issues have by no means been sidelined by the present economic climate. The papers in this and its companion volumes indicate the range and significance of those broader social issues.

Peter Saunders
Director

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Compensating Indigenous Australian 'Losers': A Community-oriented Approach from the Aboriginal Social Policy Arena

J. C. Altman and D. E. Smith¹
Centre for Aboriginal Economic Policy Research
Australian National University

1 Introduction

The conference theme 'Social Policy and the Economy' aims to examine how social policy should foster economic adaptation and how far social policy should be concerned with compensating the losers from market forces. The key aim of this paper is to explore an approach from the Aboriginal affairs social policy arena and consider both its ability to compensate indigenous Australian losers and, more speculatively, its potential wider applicability to all Australian losers. The approach examined is encompassed in the Community Development Employment Projects (CDEP) scheme that is a community-oriented program that is sometimes referred to as a 'work-for-the dole' scheme. This depiction originates from the fact that under the CDEP scheme communities receive a block grant that is roughly equivalent to the welfare entitlements of community members. However, additional payments in the form of on-costs and resources for the purchase of capital equipment are also provided. Currently, nearly 22,000 indigenous Australians residing at over 200 localities participate in the scheme. Participation almost invariably means part-time employment, as the resources available to each participating community do not allow the creation of full-time jobs. In the 1992-93 financial year, the Aboriginal and Torres Strait Islander Commission (ATSIC) allocated some \$235 million to the scheme, with about 75 per cent of this amount consisting of notional offsets against the welfare entitlements of participants.

The novel feature of the CDEP scheme is that it is a community-focused labour market program which has no equivalent in mainstream social policy. An

1 An early version of this paper was presented at a Centre for Aboriginal Economic Policy Research seminar in June 1993. Owing to input at this seminar it was considerably focused. Thanks to Anne Daly, John Taylor, Linda Roach, Konstantin Probst and Nicky Lumb for comments. A number of participants at the National Social Policy Conference provided additional input when the paper was formally delivered in July 1993.

examination of the scheme provides an opportunity to highlight, in an exploratory manner, some of the difficulties that mainstream policy might experience in any attempts to centrally target policies and programs at losers, be they the long-term unemployed or those in regions that have excessively borne the brunt of the structural adjustments associated with the current recession. The potential applicability of the CDEP scheme is of especial interest in the aftermath of two recent policy initiatives: a renewed federal concern with regional adjustment and regional development (as spelt out in a speech by the Minister for Industry, Technology and Regional Development, the Hon Alan Griffith to the Committee for the Economic Development of Australia, titled 'Economic Change and Regional Development', 4 April 1993) and with long-term unemployment (as outlined in a speech by the Hon Paul Keating, Prime Minister to the Economic Planning Advisory Council on 28 May 1993).

2 Defining Indigenous 'Losers'

Defining losers is never easy, especially with a regionally dispersed and culturally heterogeneous population. In this paper, we define indigenous losers as the unemployed, especially the long-term unemployed or LTUs (that is those unemployed for 12 months or over). Some recent data on indigenous Australians in this category for the period 1983-90 is provided by Junankar and Kapuscinski (1991: 39) and more recently by Daly and Hawke (1993). Both demonstrate that long-term unemployment is significantly higher for indigenous Australians than for the rest of the population. However, a focus on LTUs excludes participants in the CDEP scheme, many of whom would have been LTUs if it were not for part-time employment opportunities created by the scheme.

There are some important similarities and differences between the experiences of Australians in general during the past two years and the experiences of indigenous Australians over the past twenty years. This is the case especially for Australians in those rural and remote regions who have experienced regional recession. Indeed, it could be argued that the entire Aboriginal affairs policy debate over the last two decades has focused on Aboriginal people as losers, if not from market forces then certainly from colonialism (in settled regions) and from their residence beyond the economic frontier (in the most remote parts). Perhaps the clearest and most cogent argument that presented Aboriginal people, as a group, as losers was contained in the *Aboriginal Employment Development Policy Statement* (Australian Government, 1987) which defined Aboriginal socioeconomic disadvantage in terms of employment, income and welfare dependency. Table 1 clearly demonstrates that as a racially-defined group indigenous Australians are losers when compared to the total population. It is interesting to note that while trends over time are not the concern of this paper, there has been some broad convergence in indigenous and total Australian unemployment rates; the same has not occurred with mean individual income.

Table 1: Unemployment rates and mean individual incomes of the Indigenous and total populations, 1971 to 1991

| | 1971 | 1976 | 1981 | 1986 | 1991 |
|--------------------------------------|------|---------|---------|----------|----------|
| Unemployment rate: | | | | | |
| Indigenous Australians | 9.3 | 17.8 | 24.6 | 35.3 | 30.8 |
| Total population | 1.7 | 4.4 | 5.9 | 9.2 | 11.7 |
| Ratio Aboriginal to total population | 5.5 | 4.0 | 4.2 | 3.8 | 2.6 |
| Mean individual income: | | | | | |
| Indigenous Australians | na | \$3,276 | \$4,634 | \$8,017 | \$11,491 |
| Total population | na | \$5,025 | \$8,130 | \$12,251 | \$17,614 |
| Ratio indigenous to total population | na | 0.65 | 0.57 | 0.65 | 0.65 |

Source: Tesfaghiorghis and Altman (1991); 1991 Census output.

Aboriginal economic disadvantage is a product of historical, locational, demographic and cultural factors, but it is also due to structural change that has perhaps been ameliorated and masked by the nature and extent of government intervention. A recent analysis of the inter-relationship between macroeconomic factors and the employment status of indigenous Australians (Altman and Daly, 1992a) indicates structural factors at work: there are some sectors of the economy, like agriculture, where Aboriginal employment has actually declined in absolute terms between 1971 and 1986 despite a doubling of the population.

2.1 Caveat

The above presentation of indigenous Australians as a group as 'losers' in socioeconomic terms has gained considerable currency in the aftermath of the Royal Commission into Aboriginal Deaths in Custody. However, this needs to be heavily qualified on two counts. First, disadvantaged Aboriginal and Torres Strait Islander people cannot be categorised as a homogeneous indigenous underclass. The level of current disadvantage is not simply the product of recent recessionary processes which are further restricting an already tenuous position in the labour force. Current levels of indigenous disadvantage reflect the historical process of marginalisation

from the mainstream economy. This process took place (and continues to occur) at different times, in a diversity of circumstances, and with varied impacts.

One of the fundamental divisions highlighted by a number of researchers and made apparent by census data is that between remote and rural Aboriginal communities, and urban and metropolitan areas. This broad division had its intellectual antecedents in the analytical distinction made by Rowley (1971) between colonial and settled Australia. In the former, it is locational disadvantage and cultural difference that marginalise indigenous Australians in mainstream terms, although in some situations land rights and access to subsistence resources reduce the extent of disadvantage (see Altman and Allen, 1992). In settled and urban areas, economic disadvantage is a legacy of the colonial encounter and the exclusion of indigenous Australians from citizenship entitlements and the provisions of the welfare state. This broad distinction has decreased significantly, with time, owing to migration, and especially urbanisation. Nevertheless, analyses of social indicators at the State, section-of-State, and regional levels show a significant degree of variability in the extent of indigenous socioeconomic disadvantage (Tesfaghiorghis, 1991 and 1992).

Second, not all indigenous people are losers in the mainstream market economy and some individuals who may be classified as disadvantaged according to western statistical measures, perceive themselves quite differently. For example, case study evidence reveals that recycling employment and the 'intermittent worker effect' may be active choices for some indigenous people, rather than the product of economic exclusion (Smith, 1991). Culturally-determined choices to reside in remote locations where the labour market is virtually non-existent and to pursue lifestyles more oriented to Aboriginal and Torres Strait Islander priorities also have an impact on the extent to which people can choose to participate in mainstream employment. Some make an active choice to participate in the informal economy, with cash income supplements coming from welfare. With these significant cultural qualifications, we focus on those individuals who participate in the mainstream labour force as enumerated by census statistics.

3 The CDEP Scheme: A Community-oriented Approach

The CDEP scheme was first established on a pilot basis in 1977 by the Fraser Government. Its early history has been described in some detail by Sanders (1988), and its more recent development, especially after the launch of the Aboriginal Employment Development Policy (AEDP), by Altman and Sanders (1991). Initially the scheme targeted Aboriginal and Torres Strait Islander communities in remote regions where very restricted, or non-existent, mainstream labour markets were the norm. The scheme was introduced at a time when the award wage economy, and associated rights to unemployment benefits, was new to remote Aboriginal communities. While there has been considerable debate in the literature about the exact objectives of the scheme, it is increasingly recognised that it has multiple objectives, including community infrastructure development, income support, employment creation, enterprise development, and social and cultural objectives (see

CDEP Working Party, 1990; Altman and Sanders, 1991; Deloitte Touche Tohmatsu 1993). Since the launch of the AEDP in 1987, though, the scheme has been increasingly regarded as a labour market program under the umbrella of the AEDP. Consequently, it is regarded in policy terms as a potential contributor to the AEDP goals of employment and income equality between indigenous and other Australians by the year 2000.

While the CDEP scheme is not an ATSIC initiative, it has been expanded and vigorously pursued in the aftermath of the Royal Commission into Aboriginal Deaths in Custody (Commonwealth of Australia, 1991) which strongly advocated expansion of the scheme, especially into rural and urban areas that have been disproportionately affected by the recent recession. The CDEP scheme represents a potentially radical economic adaptation in many respects, but carries a burden of great expectations from both government and indigenous Australians. It is ATSIC's largest program, and its expansion in recent years, attesting primarily to its popularity among indigenous Australians, is demonstrated in Table 2.

As outlined by ATSIC, the current objectives of the CDEP scheme are to provide employment opportunities for indigenous peoples in locations where there are no, or limited, alternatives to reduce indigenous dependence on welfare benefits and improve 'elements of their social, cultural or economic life which enhance self-management' (Commonwealth of Australia, 1992: 59). Certainly the program has wide appeal, especially now that it is not limited to communities, but is also available on a project basis. A total of 200 communities or organisations participated in the scheme in 1992-93 providing 'employment' opportunities for nearly 22,000 people, or nearly 15 per cent of the Aboriginal and Torres Strait Islander population of working age.

The scheme's most radical aspect is that it allows for an 'Aboriginalisation' of work: participating communities are able to define the work context with the result that employment includes clothing manufacture, cabinet making, provision of essential services, market gardening, arts and crafts production, rabbit eradication, emu farming, maintenance of sacred and other sites, firewood collection and canoe building. (A far wider range of activities is outlined by Deloitte Touche Tohmatsu, 1993.) There is a high degree of local control over setting employment outcomes and work schedules. However, this decentralised authority over the management of the scheme has resulted, according to one commentator, in 'senior administrative anxiety' (Rowse, 1993: 270). There is a clear tension present in the scheme between local indigenous management and nationally-established economic objectives, accountability and program evaluation.

3.1 Macro-impacts

At the same time, longer-term employment and income improvement outcomes from the scheme are far from clear. While expansion of the CDEP scheme certainly provides a means to reduce unemployment rates as officially defined in the five-

Table 2: CDEP Scheme Participants, Expenditure and Proportion of Aboriginal Affairs Portfolio Expenditure, 1976-77 to 1992-93

| Year | Participating communities | Participants (workers) | CDEP scheme expenditure (\$ million) | CDEP as per cent of Aboriginal affairs portfolio expenditure |
|---------------|---------------------------|------------------------|--------------------------------------|--|
| 1976/77 | 1 | 100 | 0.1 | 0.1 |
| 1977/78 | 10 | 500 | 2.0 | 1.6 |
| 1978/79 | 12 | 800 | 2.9 | 2.1 |
| 1979/80 | 17 | 700 | 3.8 | 2.7 |
| 1980/81 | 18 | 1,300 | 6.9 | 4.3 |
| 1981/82 | 18 | 1,300 | 7.0 | 4.1 |
| 1982/83 | 18 | 1,300 | 7.4 | 3.7 |
| 1983/84 | 32 | 1,700 | 14.2 | 5.8 |
| 1984/85 | 33 | 2,900 | 23.5 | 8.3 |
| 1985/86 | 38 | 4,000 | 27.2 | 9.2 |
| 1986/87 | 63 | 6,000 | 39.5 | 11.9 |
| 1987/88 | 92 | 7,600 | 65.5 | 17.4 |
| 1988/89 | 129 | 10,800 | 98.8 | 22.0 |
| 1989/90 | 166 | 13,800 | 133.2 | 25.0 |
| 1990/91 | 169 | 18,266 | 194.1 | 35.8 |
| 1991/92 | 185 | 20,000 | 205.0 | 34.7 |
| 1992/93 (est) | 200 | 22,000 | 234.6 | 32.0 |

Source: Altman and Sanders (1991); Economic Initiatives Branch, ATSIC.

yearly census, it does not appear to be particularly effective in reducing poverty. Altman and Smith (1993) argue that, in fact, there might be inverse and unintended trade-offs between AEDP goals: in particular, reduced welfare dependency in the current economic climate may hamper the goal of income equality by locking CDEP participants into ongoing low-paid employment in areas where there is little chance of any alternative full-time employment. There is no evidence to suggest that CDEP employment leads to better employment chances outside of the scheme. Rather, it may be that the scheme perpetuates an employment enclave for losers. This is demonstrated notionally in Table 3, and more thoroughly by Taylor's (1993) analysis of socioeconomic status by section-of-State in the Northern Territory. Perhaps it is this that is causing 'administrative anxiety', although it may also be of anxiety to policy makers genuinely concerned with the poverty that seems to be perpetuated by the scheme and its vulnerability to adverse commentary from those who believe that Aboriginal losers cannot be compensated with special targeted programs that potentially maintain marginalisation in the longer term (Brunton, 1993).

The overall impact of the CDEP scheme is demonstrated in simplified aggregate terms in Tables 3 and 4. Table 3 shows that growth at the national level in CDEP participants almost matched growth in numbers employed. However, this statement

Table 3: Employment and Non-employment Income of Aboriginal Individuals Aged 15 Years and Over, 1986 and 1991

| Labour force status | Number | Mean income | Total income (\$m) | Per cent of total |
|---------------------|----------------|-----------------|--------------------|-------------------|
| 1991 | | | | |
| Employed | 54,464 | \$16,757 | \$912.65 | 56.7 |
| (CDEP component) | (18,072) | (\$8,123) | (\$146.80) | (9.1) |
| Unemployed | 23,014 | \$8,342 | \$191.98 | 11.9 |
| NILF | 60,640 | \$8,021 | \$486.39 | 30.2 |
| Not stated | 1,892 | \$9,564 | \$18.10 | 1.1 |
| Total | 140,010 | \$11,491 | \$1,608.85 | 100.0 |
| 1986 | | | | |
| Employed | 40,642 | \$13,726 | \$557.85 | 58.2 |
| (CDEP component) | (4,000) | (\$5,650) | (\$22.60) | (2.4) |
| Unemployed | 21,467 | \$6,883 | \$147.76 | 15.4 |
| NILF | 54,321 | \$4,388 | \$238.36 | 24.9 |
| Not stated | 3,189 | \$4,580 | \$14.61 | 1.5 |
| Total | 119,619 | \$8,015 | \$958.75 | 100.0 |

Source: 1991 and 1986 Census data. Data in brackets are estimates from Department of Aboriginal Affairs, then ATSIC, administrative data sets reported in Annual Reports. Note that estimated mean income of CDEP participants is notional, assuming no additional non-CDEP income.

Table 4: Growth in CDEP Scheme Participation and Change in Unemployment Rates, by States, 1986-91

| | 1986(a) | CDEP participants | | Unemployment rate | | |
|--------------|--------------|-------------------|-------------|-------------------|-----------|------------|
| | | 1991(a) | % change | 1986 | 1991 | % change |
| NSW | 0 | 1,530 | +ve | 40 | 36 | -10 |
| Vic. | 0 | 109 | +ve | 24 | 27 | +13 |
| NT | 720 | 4,146 | +576 | 35 | 26 | -25 |
| Qld | 1,405 | 7,010 | +499 | 34 | 27 | -21 |
| SA | 1,090 | 1,622 | +49 | 35 | 28 | -20 |
| WA | 1,803 | 3,996 | +122 | 39 | 36 | -8 |
| Tas | 0 | 0 | na | 21 | 26 | +24 |
| ACT | 0 | 0 | na | 15 | 20 | +25 |
| Total | 5,018 | 18,473 | +368 | 35 | 30 | -14 |

Note: a) At 30 June.

Sources: ATSIC administrative databases on CDEP participants, Economic Initiatives Branch, ATSIC; special tables, Statistics Section, Strategic Development Unit, ATSIC.

must be heavily qualified, because it is impossible to tell from census data whether CDEP participants are categorised as employed, unemployed or NILF (not in labour force) (see Altman and Daly, 1992b). It can be safely assumed though that a proportion of CDEP scheme participants, especially so called 'workers' are classified as part-time employed (see Taylor, 1993). Tables 3 and 4 together demonstrate that at the State level there is a close correlation between the increase in CDEP participation and a reduction in officially defined unemployment rates. However, it will be necessary to disaggregate to assess the community-based impact of the scheme on employment and income levels.

3.2 Micro-impacts

The macro-impacts of the CDEP scheme must be differentiated from its micro-impacts at the community level. In particular, it remains unclear if the scheme has the capacity to compensate the real losers at the community level. While there is currently no rigorous research available to address this issue, concern has been raised in the literature that community politics may result in some sectional interests, like women, receiving less than their welfare entitlements under the CDEP scheme mechanism, owing to the devolution of control over resource distribution to community councils (CDEP Working Party, 1990; Altman and Sanders, 1991). Certainly the scheme's guidelines do not provide specific direction to target those most in need. For example, recent analysis by Taylor (1993) in the Northern Territory raises the possibility that some indigenous Australians who were in mainstream employment may have shifted to part-time CDEP scheme employment. A major problem facing any attempt to assess micro-impacts of the scheme is that quantitative data are not available: indigenous Australians are not separately identified in the monthly Labour Force Survey, and it likely that many CDEP participants are not identified in the census as being in part-time employment (see Altman and Daly, 1992b; Taylor, 1993). Furthermore, such formal surveys would be incapable of capturing the qualitative 'community development' repercussions of the scheme; detailed case studies are needed.

It is clear that the CDEP scheme is the wrong program mechanism if its major economic policy objective is to move individuals off welfare (actual or notional) and into the mainstream labour market. A standard measure used to evaluate the performance of labour market programs is the employment status of individuals after a period of participation (see Daly, 1993). In such a context the CDEP scheme has been unsuccessful. This is evidenced by the fact that despite the scheme's operation in some communities since 1977, no community has chosen, or been required, to move off the scheme due to the successful creation of mainstream employment opportunities. Unfortunately, there are no accurate data available on whether individuals at these communities have moved into mainstream jobs. While the census does not allow tracking of individuals over time, administrative data suggest that participant numbers at communities are expanding. The apparent failure of the scheme in 'creating' mainstream employment is hardly surprising given the remoteness of many participating communities from labour markets. Nevertheless,

such poor results leave the scheme vulnerable to criticism that it constitutes an endless direct job creation program. The scheme provides no incentive to individual participants to seek full-time mainstream employment.

Another criterion for evaluating labour market program outcomes is changed income status. The CDEP scheme has some potential to operate as a guaranteed minimum income scheme, and in such circumstances it may provide an opportunity to supplement incomes (in cash or in kind) beyond the ceilings set by welfare equivalent entitlements. This would occur, for example, in situations where the hours available after completion of CDEP community-oriented work were devoted to artefact manufacture, subsistence activities or commercial 'community' fishing (Altman and Taylor, 1989). There is little evidence, however, that the CDEP scheme is facilitating such informal productive activities in situations where they were not already undertaken under a welfare support regime. Indeed, the major identified micro-impacts of the scheme at 21 case study communities visited in association with the Deloitte Touche Tohmatsu (1993) consultancy were primarily in the areas of essential services and housing. It appears that unlike welfare regimes, the CDEP scheme does provide an organisational umbrella under which 'socially useful' work is undertaken. Nevertheless, this very positive feature of the scheme has potential negative repercussions, linked to substitution, that will be outlined below.

4 CDEP Scheme Issues

There is little doubt that the CDEP scheme has proven popular with many indigenous Australian communities, that it enables a greater degree of local control and management, and has the flexibility to respond to culturally-based priorities and choices. In these aspects it represents an important economic adaptation within the Aboriginal affairs program and policy arena; it has the potential to represent a fundamentally different direction in program strategy if it can survive. This survival will require policy consideration of the following, and other, issues.

To continue, the scheme must demonstrate that it is not locking individual participants into income levels that are little different from welfare entitlements. To ensure this, ATSIC might need to consider modifying the scheme to differentiate those participants who are merely seeking income support (risk minimisers) from those who are structurally unemployed and seeking an option to increase income and use the scheme as a stepping-stone to mainstream employment (income/employment maximisers). In some situations, this is linked to the issue of training: to provide effective means to facilitate entry into mainstream employment, where it exists, the scheme must be streamlined with training. However, as Kerr (1992: 122) notes, such training has to be vocationally oriented, especially in urban and rural contexts.

A second complex issue that needs to be addressed is whether participation in the CDEP scheme is, in fact, employment, usually of a part-time nature, or welfare support. This distinction obviously needs to be reflected in the way CDEP scheme participants are classified in official surveys like the five-yearly census. But it also has ramifications in terms of the entitlements of CDEP scheme participants to full

award conditions, an issue raised by the union movement but never actively pursued (Smith, 1990; Altman and Hawke, 1993).

The key issue and challenge for ATSIC in administering the scheme is linked to the vexed problem of substitution. This occurs at a number of levels. Initially, the CDEP scheme itself is a form of substitution funding because ATSIC is replacing participants' welfare entitlements with equivalent block grants paid to participating communities. According to Deloitte Touche Tohmatsu (1993) one of the most positive features of the scheme is that CDEP workers are involved in the construction and maintenance of community infrastructure and housing. But this too has strong elements of substitution, because it appears that CDEP scheme employment financed by the Federal Government, is substituting, at least in part, for normal activities usually financed by State and local governments. A final form of substitution is linked to the growing trend towards regionalism in Aboriginal and Torres Strait Islander policy. If regions are increasingly compensated by ATSIC on the basis of socioeconomic disadvantage, then it will be important to clarify the definition of CDEP participation in official statistics. If such participation is defined as employment, then any socioeconomic status index incorporating employment rates is likely to understate the extent of real disadvantage. This might jeopardise full access by CDEP scheme communities to their equitable entitlement to discretionary resources.

It must be emphasised that each of these are broad policy issues, and it remains unclear to what extent they are of significant concern to the communities participating in the scheme.

5 Wider Implications

The CDEP scheme raises some interesting issues of immediate wider social policy importance as the Keating Government is presently focusing on long-term unemployment, regional disadvantage and changing Australian attitudes to work. In particular, in the aftermath of the Prime Minister's statement of May 1993 and the establishment of an expert committee with terms of reference to produce a White Paper on the labour market by 31 December 1993, there will be a need to seriously consider innovative approaches like the CDEP scheme for the wider Australian community. This is partly because the scheme is often presented as a work-for-the-dole scheme and this has intuitive appeal to those who believe that the structurally unemployed could be usefully engaged in community-oriented work of public benefit. Also, it is a scheme whose rapid growth implies success and popularity. Mainstream economics is not without its debate about the merits of such schemes. On one hand, it is recognised that direct job creation schemes are the most expensive and least effective options to create long-term employment (Stretton and Chapman, 1990). On the other, some are calling for a revamping of local employment initiatives, utilised in the 1980s, as a means to create employment in the 1990s (Hodgkinson and Kelly, 1993).

An initial issue that would arise in the wider context is how communities might be chosen for participation in the scheme. To date, CDEP scheme entry has been ad hoc; it is questionable if such an approach would be acceptable in the wider community. It is unclear on what basis communities could be targeted for inclusion. In the early years of the CDEP scheme, priority was given to remote and discrete Aboriginal communities where employment opportunities were extremely circumscribed. To identify discrete communities without using Aboriginality as a criterion might be a great deal more complex, despite the availability of far better information on the long-term unemployed for all Australians. A community basis for introducing the scheme could exist in some unusual circumstances, like rural land-sharing communities or communes (Sommerlad and Altman, 1986). The alternative of establishing block-grant based employment programs on a project basis (as is occurring in some urban Aboriginal situations) may be more acceptable in the wider community. Even then, one might wonder whether community-based or project-based programs are an effective means to target individual losers (see Hodgkinson and Kelly, 1993).

Some fundamental differences exist between indigenous Australian communities participating in the scheme and mainstream society. First, in general, the scheme has been introduced to remote Aboriginal communities with no formal employment options. Second, the substitution occurring under the CDEP scheme is accepted, and even welcomed, because of the significant infrastructural shortfall at these communities. Such substitution might not be tolerated in the wider community. Finally, it seems unlikely that the union movement would accept non-award conditions frequently associated with the CDEP scheme if it were more widely applied (Altman and Hawke, 1993).

6 Conclusion

To what extent has Aboriginal affairs policy developed an effective means to compensate indigenous losers? At an institutional level, it appears that ATSIC has a community-oriented program, the CDEP scheme, that has sufficient flexibility to target particular sectional groups of long-term unemployed losers. However, as argued above, there are a number of factors that strongly circumscribe the potential of the scheme to move structurally unemployed indigenous Australians towards economic equality with other Australians.

While the CDEP scheme is significant (both in terms of resources and number of participants), its expansion appears limited by budgetary ceilings despite its notional offsets against individual welfare entitlements. This link has had positive spin-offs: it has been responsible in large part for the rapid expansion of the scheme in the late 1980s. But this has also created pitfalls: for example, welfare-linked fiscal ceilings limit the ability of participants to break out of poverty. While the CDEP scheme represents an economic adaptation that may appease policy makers concerned with high levels of officially-defined unemployment, and is supported by a number of participating communities welcoming greater local control, there is limited evidence

to date that the scheme alleviates poverty, as measured in the census, or that it results in the shift of indigenous Australians into employment in the mainstream labour market. In short, it is unclear if individual losers are better looked after or targeted under ATSIC's community-focused compensation approach than under the mainstream welfare net. The scheme appears to suit the particular circumstances of many indigenous Australians, but any moves to introduce the scheme more widely would need to proceed cautiously.

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Tendencies to Convergence of Men's and Women's Welfare States: Does Policy Make a Difference?

Michael Bittman

School of Sociology, University of New South Wales

Lois Bryson

Department of Sociology and Anthropology, University of Newcastle

Sue Donath

Households Research Unit, University of Melbourne

1 Introduction

Feminist writers have persistently pointed to the bifurcated nature of modern welfare states and the way in which even the apparently most developed maintain women as the disadvantaged sex (e.g. Wilson, 1977; Hernes, 1987; Fraser, 1987; Bryson, 1992; Shaver, 1993). Income maintenance systems, the foundation of all welfare states, were constructed on the basis of a male-headed family with the expectation of employment or failing that, state support for those outside the labour market. Entitlements for women, were largely constructed on the basis of their dependent family status.

It is clear that in Australia and in most western countries, there has been a gradual convergence of the ways in which state policies officially construct men and women. Gender neutralisation means that males are afforded parenting rights similar to those previously confined to women and married women are treated more as workers. In social policy in Australia, for example, we now have dependent spouses, not wives, and widows without dependent children are expected to join the labour force. However, to see if this shift to 'a logic of gender equality' (Shaver, 1993) does redress past inequalities, attention must be turned not only to formal policies but also to outcomes in both the labour market and the domestic sphere. Theoretically it is crucial to analyse the outcomes of policies at both these sites if the nature of the relationship between gender equality and welfare state policies is to be better understood.

2 Time Use in Comparative Policy Perspective

Governments acknowledge gender inequality to differing degrees and respond in a variety of ways. This very variety of social policy responses means that, through

comparative analysis, we can address the issue of whether, and what type of, social policy makes a difference to gender inequality. The contemporary 'crisis of the welfare state' has given an enormous stimulus to such comparative study of social policy. This impulse has been strengthened by the appearance of new computerised means of conducting research into social policy outcomes. At one stroke the comparative study of social policy has become both more desirable and more feasible.

In this paper we are concerned with both the theoretical understanding of the form of gender relations embedded in various policy regimes and their empirical nature, particularly the outcomes these regimes promote. For our theoretical understanding of welfare states, we draw on the swiftly growing body of feminist literature on the subject. To address empirical questions we turn to time use data which show the manner in which men's and women's time is distributed, particularly between paid and unpaid work. We then interpret these findings against their relevant national social policy settings.

The analysis of time use has considerable strategic value for approaching questions of gender equality. This is because it provides data on workforce participation, a traditional index of well-being, but also offers a window on a critical complex of factors which occur in the family sphere, viz. domestic labour, leisure activities and time spent in personal maintenance. Because women's material and power disadvantages can be linked to the form of their attachment to family **and** labour force, the analysis of time use is of much more relevance than are the more common analyses which focus on labour force and income but neglect the family sphere.

It is a truism to say the market economy is a much studied institution, indeed it is usually accepted as **the** economy. Much less studied is the domestic or household economy, yet household productive activities, especially those entailed in caring, are no less important and are arguably more important to the economy as a whole. Marilyn Waring (1988) has forcefully argued in her book *Counting for Nothing* that the indispensable but unpaid work of women disappears in most official statistics. Time use surveys are one way of making this labour visible. Detailed data on daily activities are collected by a diary method. This method has been refined over many decades and offers an accurate estimate of the way people spend their time. Because a comprehensive picture of unpaid and paid activities is obtained, this method actually produces more accurate statistics than the normal method of collection of data from the workplace or through employment surveys.

In a recent move to redress the gap in the national statistics on unpaid labour, the Australian Bureau of Statistics (1990) estimated, based on time use statistics, that the unpaid work of women and men in the 'household sector' in Australia actually produced goods and services equivalent to 62 per cent of Gross Domestic Product. The best estimate to date of the division of labour in this household sector, is that women are responsible for at least 70 per cent of this labour (Bittman, 1991:32).

This paper reports on a preliminary analysis of time use data for two countries, Australia and Finland. It focuses on what these data tell us about the degree of

gender equality achieved in each. Ultimately our research will encompass many countries and this will allow the investigation of the links between a wide range of social policies and their outcomes as reflected in time use patterns. However, Australia and Finland do provide a valuable initial contrast because, according to the most influential typologies of welfare states, they represent starkly contrasting types, with Finland having a well developed welfare state and Australia an underdeveloped one. They also have contrasting patterns of female employment, with Finland having the highest rate of full-time female employment (79 per cent) of any western country. Australia's rate of female employment (52 per cent), on the other hand, is around the middle of the range for OECD countries and there is a very high level of part-time employment (around 40 per cent of employed women). However, before turning to the empirical data, we briefly locate the study in relation to current relevant theoretical debates.

3 Theorising Issues of Convergence of Women's and Men's Welfare State

The much discussed Esping-Andersen (1990) typology of welfare state regimes provides the latest comparative analysis of social policy regimes. Like earlier typologies of theorists such as Wilensky and Lebeaux (1965), Titmuss (1974) and Mishra (1984), it does not adequately cope with the issue of gender. The shortcomings of Esping-Andersen's analysis have galvanised feminist writers into both critique of his framework and into attempts to develop more adequate ways of theorising women's position within welfare states (e.g. Cass, 1993; Sainsbury, 1993; Shaver, 1993).

The most obvious inadequacy of the major typologies is that they identify relief from dependence on the labour market as the hallmark of a successful welfare state. Essentially what the Esping-Andersen's typology focuses on is the relationship between social policy and the market. It gives a much lower priority to the relationship between social policy and family. To focus so heavily on the decommmodification of labour, does not just ignore gender, it actually obscures gender relations.

3.1 Feminist Perspectives

The issue for women, rather than being dependence on the labour market is more one of actual or presumed dependence on men. The basis of welfare state policies in many countries including Australia, was the family unit rather than the individual, that is, they were built on a 'breadwinner' family model. Indeed, feminist scholars have identified the welfare state as a major stabiliser of the patriarchal family (Wilson, 1977; Hernes, 1987; Pateman, 1989). Even over recent decades when welfare states have often encouraged the commodification of women's labour, they have maintained elements of their earlier role of regulating family relations along traditional lines.

It often goes unnoticed that Esping-Andersen's analysis does sporadically recognise that different social policy regimes relate to family and individual in different ways. He isolates the model he designates the social democratic welfare state, as being the only regime with the social policy goal of promoting individual independence (Esping-Andersen, 1990: 28). Nevertheless, the cumulative effects of labour market disadvantage and bearing the brunt of family labour, leave women partially dependent even in countries with social democratic regimes. Hobson (1990) has analysed the dimensions of this dependency for the mid-1980s, using data from the Luxembourg Income Study. She found that the highest proportion of women earning within 10 per cent of the income of their partner was in Sweden. Given that Sweden provides his leading example of a social democratic welfare state, this does partly support Esping-Andersen's position. However even in Sweden, the proportion of women who achieve effective financial independence is only 11.2 per cent (Hobson, 1990: 240). The lowest proportion for the ten countries represented in the study was in Switzerland with only 2.6 per cent of women financially independent of their partners. Australia fell roughly in the middle with 7.8 per cent. The effects of this financial dependence have been well studied and in many countries high rates of poverty among women and particularly among female sole parents have been identified.

The different perspectives of feminist writers are revealed in a different usage of the terms public and private as spheres for analysis. Feminist writers have used private not to refer to the market as do liberal theorists and most of the typologies of welfare states, but rather to refer to the family sphere. The public sphere then is applied to both the state and the market. From this feminist perspective the welfare state is taken as focusing on the relationship between the public and private. How state policies address caring labour and influence the family realm are taken to be central.

3.2 Feminist Critique and Analysis

Feminists entering the current debate point to a number of ways in which traditional analyses are deficient for encompassing the situation of women. We are able only to set these out only in schematic form here. The criticisms have in common an emphasis on the central and neglected role of family, and in many ways they are each variations on this theme.

Feminist scholars point out that:

- Traditional analyses privilege the position of men as the norm. This is sometimes expressed through debating the question of equality versus difference. Shaver (1992) for example has raised the generally neglected issue of the way welfare states respond to reproduction rights, particularly the right to abortion. 'Body rights' offer quite a different slant on the nature of gendered social rights, something not readily encompassed by traditional approaches.
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- From a gender perspective, fundamental to any adequate analysis of the welfare state, is its capacity not only to deal with social policy and the market but also the family (e.g. Leira, 1992).
- Another fundamental issue is that of independence and especially issues of female dependency (e.g. Hobson, 1990).
- Esping-Andersen's typology focuses heavily on freedom from the market. For women freedom to enter the market on equal terms is a more central issue. Thus rather than a focus on decommodification, what is required is a framework which simultaneously also encompasses processes of commodification of women's (and indeed other groups') labour and non-commodified forms of labour, particularly within the family (e.g. Daly, 1993).
- Caring labour requires special recognition in both its paid and unpaid forms. The connection between traditional family caring labour and public caring within the welfare state is also a crucial issue for women's employment. Meyer notes that for many women the welfare state does not provide independence from the market, but 'independence from the family through the social welfare market' (Meyer, 1993: 6).

This sketchy analysis of what is a fast growing literature on gender and the welfare state makes very clear that it is essential to bring family into the centre of the analysis. This is where time use analysis comes into its own as an eminently suitable way of gaining a simultaneous picture of market and family labour, as well as a range of other activities.

4 Time Use Analysis

4.1 Australian Women, Family Responsibilities and Domestic Labour Transfers

Analysis of the Australian Bureau of Statistics' 1987 Pilot Survey of Time Use shows that for Australian women the best predictor of how much time they allocate to paid work is how little time they spent in child care and other domestic responsibilities (Bittman, 1991: 21). Australian men, on the other hand, trade-off paid work and leisure, so that one hour's less paid work means one hour's more leisure and *vice versa*. The variables studied produced few effects on the amount of time Australian men devote to family responsibilities and domestic labour. For married men, weekly time spent in unpaid work hovers around 16 hours. Although there are some variations in the kinds of activities undertaken, men's average total time is unaffected by wife's employment status, the age of children, educational attainment, income, occupation or industry. Men's own hours of paid employment barely affect average time allocated to unpaid work and marriage actually reduces men's domestic work. The only phase in the life course when men do a similar amount of domestic work to their female counterparts is when they are retired and

living alone (that is, when they are without a mother or a partner) (Bittman, 1991: 21-3; 31-58; 72).

Data on the unpaid work of women, on the other hand, show large variations. The most powerful determinants of time spent in unpaid work - marital status, number and age of children, presence of an aged or frail spouse - indicate obligations to others. In other words these are responsibilities that are assigned to women simply on the basis of gender and because they are somebody's mother, somebody's wife, somebody's daughter, somebody's friend, somebody's kin, or somebody's neighbour.

The next most important factor determining the amount of unpaid work performed by women is labour force participation. The greater the participation in the labour force, the smaller the amount of time devoted to purely domestic tasks. The trade-off is not, however, one-for-one. For each hour a woman spends in paid work there is a reduction of 26 minutes in unpaid work. Empirically the amount of paid work and not the amount of leisure, free time or time spent in sleep and personal care is the best predictor of the amount of time women spend in unpaid work.

Contrary to the usual expectations of social scientists, income, education, occupation and industry have very little influence on the gendered patterns of time use. Having a high income, being a graduate, having a professional occupation, working in male dominated industries all offer little protection against the effects of family responsibilities. The fact of being a woman with family responsibilities remains the major determinant of the quantity of unpaid work undertaken.

When a woman marries she increases the extent of all categories of unpaid labour by 60 per cent, compared to a woman living alone. Most of this increase comes from extra cooking, cleaning, laundry and shopping (Table 1). On marriage, women practically double their time spent in cooking, while men reduce their cooking time by a quarter. Men also reduce their laundry, ironing and clothes care to an average half that of men living alone, while women double their laundry time. Married women's laundry time is on average nine times that of married men. Upon marriage, women increase the time they spend in cleaning by 40 per cent while men reduce theirs slightly. With shopping time, the picture is somewhat less altered by marriage. Men spend the same amount of time shopping when married as when they live alone, whereas living with a partner increases women's shopping time by a third.

The changes wrought by cohabitation are minor when compared to those occasioned by the birth of a child. When correction is made for child care as a simultaneous (and not just the sole) activity, Australian mothers whose youngest child is of pre-school age increase their unpaid workload by 39 hours per week (the equivalent of an extra full-time job) in comparison to other married women. On average, new fathers do not increase their unpaid work by a single minute. Fathers of pre-schoolers do, however, have high amounts of paid work (Table 2), in fact their hours are 58 per cent higher than other married men. This stage of the life course represents the peak of Australian men's commitment to paid work; at no other point are average hours of paid work so high.

Table 1: Effect of Marital Status on Selected Domestic Tasks^(a)

| | Australia | | Finland | |
|---------------------------------------|-----------|-----|---------|-----|
| | Women | Men | Women | Men |
| Activity (minutes per day) | | | | |
| Laundry | (b) | (b) | (b) | (b) |
| Grand Mean | 36 | 4 | 18 | 2 |
| Married/de facto | 6 | -1 | -2 | -1 |
| Separated/divorced/widowed | -1 | 8 | -2 | 5 |
| Never Married | -14 | 0 | -3 | 0 |
| Cooking | (b) | (b) | (b) | (b) |
| Grand Mean | 83 | 26 | 63 | 20 |
| Married/de facto | 10 | -2 | 9 | -1 |
| Separated/divorced/widowed | -18 | 19 | -13 | 14 |
| Never Married | -11 | 1 | -10 | 0 |
| Child care | | (b) | | |
| Grand Mean | 52 | 14 | 30 | 12 |
| Married/de facto | 2 | 2 | 2 | 0 |
| Separated/divorced/widowed | 5 | 10 | 1 | 4 |
| Never Married | -8 | -6 | -4 | -1 |

Notes: a) Holding other factors constant using MCA
b) significant at the .05 level or better

Table 2: Effect of Age of Youngest Child on Labour Force Participation^(a)

| | Australia | | Finland | |
|--|-----------|-----|---------|-----|
| | Women | Men | Women | Men |
| Paid Work (minutes per day) | | | | |
| Grand Mean | 117 | 263 | 154 | 213 |
| No children | 34 | 7 | -14 | -3 |
| 0-4 years | -97 | 18 | -87 | -3 |
| 5-9 years | -26 | -10 | -13 | 7 |
| 10-14 years | -1 | 14 | 11 | 28 |

Notes: a) Holding other factors constant using MCA
b) significant at the .05 level or better

The transition from retired couple status to that of retired and living alone is associated with both drastic reductions and spectacular increase in unpaid work, depending on gender. Women shed nearly a third of the time they previously spent on cooking, 42 per cent of time spent on laundry and 14 per cent of time spent on cleaning. Newly available time is devoted heavily to leisure which increases 50 per cent to levels equivalent to those of retired men. For men the transition to this status is accompanied by massive increases in basic housework. Cooking increases by 234 per cent, laundry by 880 per cent, and cleaning by 244 per cent (Bittman, 1991: 54).

These findings suggest that women perform unpaid labour for children, and husbands and as well, sometimes for other relatives and acquaintances. Clearly women produce, without receiving an equivalent payment, goods and services that are consumed by others. The opportunity costs are clear in reduced hours of paid work. In economic terms this can be considered a transfer. Time use statistics actually make these transfers visible. They also make visible the fundamental importance of gender as a factor for explaining the patterns as comparison with the data for Finland underscore.

4.2 Australia and Finland Compared

The difficulty of studying within a single country, the outcomes of social policies, is that policy settings are generally stable or do not vary widely in the short run. It is difficult to know, in these circumstances, what effect a change of policy might have. In comparative studies, countries can be selected precisely because they exemplify divergent policy approaches. The choice of Finland as the initial country to compare with Australia was made in part, because it represents a contrasting form of welfare state. A subsidiary reason for the selection of Finland as a case to contrast with Australia was that time use surveys, conducted in the same year were available. Thus differences found could not be attributed to differences in the timing of the surveys.

A difficulty introduced by cross-national comparisons is knowing how much the apparent differences are actually due to differences in policy settings and how much they result from the fact that the countries differ in other respects. For example, an apparent difference in overall time spent in child care may be the result of such factors as lower birth rates and smaller family size rather than any policy factor.

In order to concentrate the analysis on the effects of policy, it is necessary to study the effects of potentially confounding influences and, as far as possible, to statistically control for them. A procedure adopted here has been to exclude certain non-comparable elements of the survey populations (e.g. Finnish children below 15 years of age and people living outside urban settings, because of the more restricted Australian sample). We have calculated weighted population estimates for the resulting sub-population. After examining the differences in weighted population estimates, a Multiple Classification Analysis (MCA) was used to control (within the limits imposed by multi-collinearity), for factors known to be influential, namely: employment status; marital status; day of the week; education; age of youngest child; and age of respondent. A discussion of the results of this analysis follows.

4.3 Australia and Finland: Some Preliminary Findings

If we begin with the distribution of unpaid tasks we find for Finland as for Australia, that when other factors are controlled, employment status is significantly related to cooking, laundry and child care. Full-time employment reduces time spent in these domestic tasks, especially among Australian women. Even when times are corrected for this effect though, it is plain that women in both countries do a disproportionate share of all these domestic tasks (see Table 1). In Finnish as well as Australian families, laundry acts as something of a test of the segregation of domestic labour, since women in both countries engage in nine times the amount of men. It is nevertheless the case that on average, Finnish women in full-time employment do 36 per cent less laundry than Australian women in full-time employment. Full-time employment has only a small effect in diminishing the time Finnish women allocate to child care. This seems to indicate that Finnish provision of child care services is extended on a more universalistic basis than in Australia.

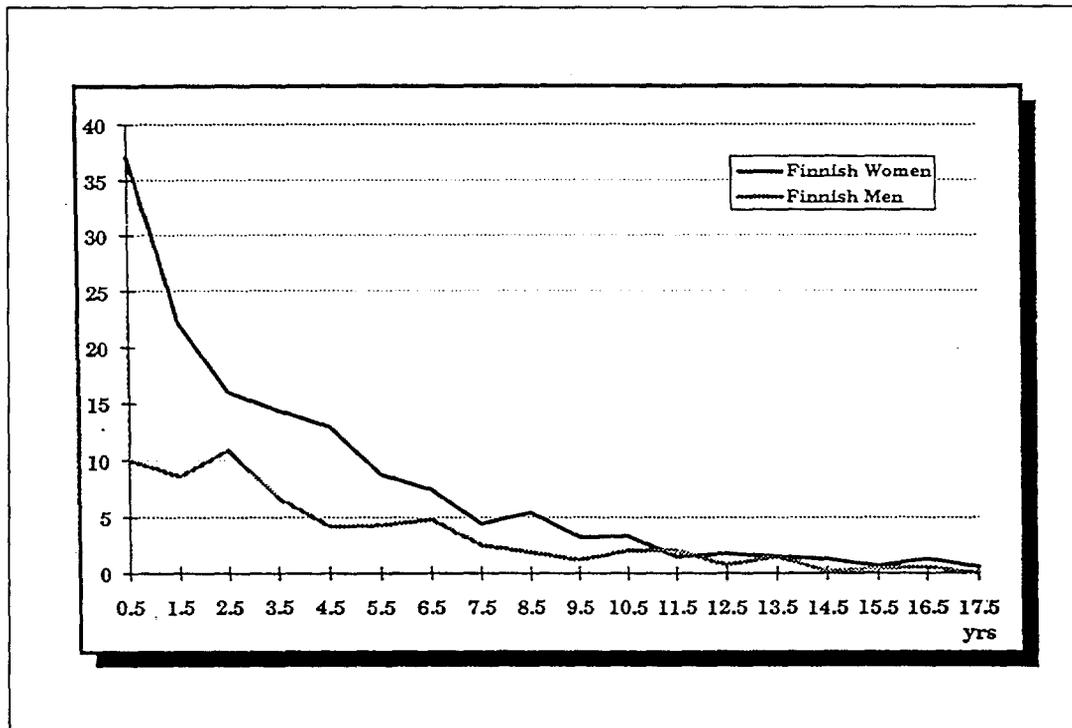
Given the general influence of full-time employment it is striking that part-time employment has a relatively minor effect. Part-time employment reduces women's time spent in cooking and laundry by one minute per day or less in both countries. Part-time employment reduces Australian women's child care time by 1 hour 24 minutes per day but has a negligible effect on the time spent in this task by Finnish women. In general, the data are consistent with the proposition that part-time employment for women is chosen precisely because it does not disrupt the domestic division of labour.

Once controls for paid employment are introduced, day of the week does not have a big influence on cooking, laundry or child care. Surprisingly, given the time scarcity imposed by full-time employment there is no particular pattern of weekend catch-up of housework on the part of Finnish or Australian women. On the whole, a pattern of full-time commitment to the labour force actually reduces women's housework rather than redistributing it to leisure time. Tasks are either performed faster or less crucial tasks are not performed at all, a process which can be seen as a form of micro-economic reform of domestic labour.

Having a child below 5 years of age has a stronger effect on Finnish than Australian women's child care patterns. Nonetheless both these sub-populations of women spend over 19 hours per week in this task. A breakdown of Finnish women's time spent in child care by the age of the youngest child shows that the reduction in time spent occurs in steps. These steps closely mirror the periods of eligibility for parental and child care benefits, and, though less so, the age at which children start school (seven years) (see Figure 1).

Most Finnish mothers spend the first year of their child's life at home providing care. During this period Finnish mothers are eligible for parental leave benefits equivalent to 90 per cent of their previous salary. Average time spent in child care, as a primary activity (the activity mentioned by the respondent) at this time is 37

Figure 1: Hours per week Spent in Face-to-face Child care, by Age of Youngest Child (1987)



hours per week. Following this period, Finnish mothers are eligible for 'nursing leave', until the child is three years of age. Nursing leave entitles employed mothers shorter hours with no reduction in pay and a place in municipal child care. Alternatively, mothers can remain home with their children, and be paid an amount equivalent to cost of municipal child care for their children. Regardless of whether a mother chooses to care for her child herself, a job at her place of employment is reserved. No special benefits, other than the right to child care, are extended to Finnish mothers once the child is beyond three years of age. Despite the fact that school age in Finland is seven years, the overwhelming majority of Finnish mothers have resumed full-time employment before their youngest child has reached that age (Figure 1).

The effects of education on time devoted to child care, although statistically significant, are small and difficult to interpret. Post-school trade qualifications increase child care time for all sub-populations. University qualifications increase the time Australian women spend caring for their children and diminish the time Finnish women expend on this task. There is also an age effect for women in both nations. Women below 35 years spend above average time in child care and those above 45 years a lower than average time.

The effect of marital status for Finnish time use patterns is consistent with the findings for Australia. Women increase the time they spend in unpaid labour to

absorb the extra domestic tasks transferred by men (Table 1). Both Finnish and Australian women's time spent in cooking and laundry increases significantly upon marriage and diminishes when they are separated, widowed or divorced. The opposite is the case for men whose time spent in cooking and laundry increases upon separation, divorce and becoming a widower. Strangely the association between child care and marital status is statistically significant only among Australian men, and conforms to the pattern described for laundry and cooking, that is it increases on separation, divorce or widowhood (Table 1).

When controls for the other background variables are introduced, a significant effect is found for age and labour force participation, but this does not explain all the differences. Finnish women and Finnish men increase their workforce participation most dramatically between the ages of 25 and 44, about five to ten years later than their Australian counterparts. Men's and women's participation in both countries however begins to decline among those aged above 45 and falls away steeply thereafter. Marriage significantly reduces labour force participation for Australian women, while it significantly increases it for Finnish men. Education is significantly related to increased labour force attachment in Australia, especially among women.

The most dramatic single relationship, apart from the effect for the day of the week, is the effect of age of youngest child, which is significantly related to both Australian and Finnish women's labour force participation (Table 2). This is gender specific and not significant for men in either country. Age of child has its largest influence when the youngest is less than 5 years of age, reducing Australian women's participation to 17 per cent of its average value and Finnish women's to 44 per cent of its average value. This larger effect for Australian women may well be attributable to a relative deficiency in the provision of child care services in Australian.

5 Conclusion

In summary the most striking aspect of patterns of time use is the influence of child-rearing on women's time spent in paid work. No such effect as this is found for men. Men's careers are barely affected by the presence of young children, whereas women's careers are clearly disrupted by child care.

In both societies there is a powerful division of labour by gender. On marriage, men transfer their domestic burdens to women and social citizenship remains fundamentally limited by being born a woman. Hobson (1990) has constructed a useful ratio of financial dependency among spouses based on income. The next step is to construct a domestic dependency ratio for (male) partners, based on the extent to which they rely on a transfer of domestic labour from their spouse. Finnish men's domestic dependency is somewhat lower than that of Australian men. Correspondingly, being female in Finland is less detrimental to equality as expressed in time use patterns than being female in Australia. Importantly, women's careers are not diminished by marriage, indicating some halting progress toward social citizenship.

Given that, relatively speaking, Finnish women are less disadvantaged by being women than are their Australian counterparts, how much of this advantage can be attributed to differences in social policy? Gender neutral nomenclature and gender neutral forms of benefits, such as parental leave rather than maternity leave are, it seems, not powerful enough measures to bring about a re-allocation of domestic duties unassisted. Nor is part-time employment an answer. In practice career is sacrificed in favour of undiminished family responsibilities. In both Finland and Australia part-time employment barely reduces the time spent by women in housework. As well, part-time employment in Finland has a negligible effect in diminishing the time spent in child care while in Australia it has substantially less effect than full-time work.

Not surprisingly, there are indications that entitlements relating to child care are the most important gatekeepers to women's employment. Provision of parental leave and child care facilities appear to be very effective policy devices for reducing the employment disadvantages attendant on childbirth. In Finland generous parental leave, nursing leave, and the availability of child care results in assured full-time labour force attachment for women. In contrast to Australia this results in income security for women, including single parents. By comparison Australian women are obliged to devote themselves personally to caring for their children.

It seems clear from the study to date, and from the feminist literature, that the existing typologies of welfare states require revision in the light of data from the family sphere. If these analyses are to be useful for policy debates they must, for example, be able to distinguish between Scandinavian social democratic welfare regimes, such as Finland with its high rate of full-time women's employment from Sweden with its high rate of part-time work.

A more precise assessment of how important the effects of these policies are, awaits an extension of the national comparisons in the study with a concomitant increase in the variety of policy regimes. For those collecting time use data, an increase in the information gathered about the kind of services consumed by households, would increase the value of the data. Without information about the consumption of child-care services, for example, it is difficult to project the effect of an extension of entitlements. With such additional information a powerful new tool of policy analysis would be forged, one which is gender sensitive.

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The Very Long-term Unemployed in the Recession: Initial Results from a Survey

Bruce Bradbury and Jennifer Doyle,
Social Policy Research Centre
University of New South Wales

1 Introduction

For many reasons, the existence of long-term unemployment is a major problem facing the Australian economy and income support system.¹ Moreover, it is a problem which is unlikely to disappear of its own accord. Recent estimates suggest that even with strong levels of economic growth, there will still be around 320 thousand people experiencing long term unemployment (greater than one year) in the year 1995 (Chapman et al., 1992). If the overall unemployment rate were to remain at 11.2 per cent, this number would grow to around 430 thousand.

Whilst the problem of long-term unemployment has been exacerbated by the current recession, it is also a continuing or structural problem. In August 1989, for example, after six years of very strong economic growth, 108 thousand people had been unemployed for over a year. These people comprised 23 per cent of all unemployed people or 1.3 per cent of the labour force.² It is clear that major policy initiatives will be needed to reduce the level of long-term unemployment within the foreseeable future. This will be the case even if economic growth returns to the levels of the 1980s.

Many policy initiatives fall under the rubric of 'labour market programs' (LMPs). These include training (both general and job specific), wage subsidies (often in conjunction with training) and direct job creation programs administered by the state. In addition, and prior to the current recession, attention turned to the administration of entitlement to income support, and to ensuring that the

1 Apart from the disadvantage suffered by the unemployed themselves, the skill deterioration and/or isolation of the long-term unemployed has been advanced as a major cause of the steady 'upward ratchet' of unemployment rates in recent years (see e.g. Layard et al., 1991; Chapman et al., 1992).

2 ABS (1989), *The Labour Force*, Cat. No. 6204.0.

unemployed are fully aware of and complying with the job search requirements of income support.

The 'NEWSTART program' introduced in 1989 was a key initiative designed to integrate LMPs with income support, and to provide a more active role for the Department of Social Security (DSS) in the administration of income support for the long term unemployed (LTU). The main features of NEWSTART as initially introduced were intensive interviews with around 40,000 long-term unemployment beneficiaries each year, together with an expansion of available LMP placements. In July 1991 the 'NEWSTART program' was replaced by the 'Newstart strategy' where this interview program was extended to all long-term unemployed, and compulsory activity agreements were introduced. At the same time, Unemployment Benefit was abolished and replaced with Job Search Allowance (JSA) for those unemployed for under a year, and Newstart Allowance (NSA) for the longer duration unemployed. All these different income support payments are described in this paper as 'unemployment benefits'.

Key components of the evaluation of the initial Newstart program were two postal surveys conducted by the Department of Social Security in 1990 and 1991. These surveys were sent to long-term unemployed people who had participated in the program, as well as to corresponding samples of people who had not (see Kalisch, 1992). The main conclusion from these studies was that, six months after they had taken part in the interviews, the interview sample had a significantly better employment outcome than the control group. This conclusion, one might surmise, played an important part in the decision to extend the Newstart program to all long-term unemployed in 1991.

The primary goal of this current study is to examine the longer term labour market outcomes for the people in the second of these surveys. These people had been receiving unemployment benefits for a year or more as of September 1990, and were sent questionnaires by the Department in February/March 1991. This report describes the preliminary results of a survey carried out in October/November 1992 of those people who replied to the 1991 survey.

In the next section, the methods used in the two surveys are summarised, and the likely impact of response bias considered. This section is followed by a description of the current labour market status of the sample in 1992. The generally poor labour market outcomes observed are consistent with the sample being considered (people long-term unemployed at the end of six years of strong economic growth), and the period in which the study was conducted (the most severe post-war recession). Section 4 then considers whether, in the light of these generally poor outcomes, the associations found in 1991 between LMPs and outcomes have continued. The main finding is that though very much attenuated, there is some evidence that the advantages conferred by the initial Newstart participation are maintained for a significant period. These advantages appear to stem from the interviews themselves and possibly participation in Jobstart employment.

The results of the paper are summarised in Section 5.

2 Survey Methods and Response Bias

2.1 The 1991 Survey

In February/March 1991 the Department of Social Security conducted a postal survey of two separately selected random samples of Unemployment Benefit recipients. The first (interview) group comprised a sample of 1,500 of those people who had had a NEWSTART interview in September 1990, whilst the second (non-interview) sample was a random sample of the same size of people who were eligible for, but had not had, an interview. The eligible population comprised all people aged 18-54 who had been receiving Unemployment Benefit for more than one year.

In principle, both samples were intended to be representative of the long-term unemployed. However it should be noted that the selection of people to receive NEWSTART interviews was made by regional office staff rather than strictly randomly. Staff were instructed to select in a representative fashion and to avoid 'creaming' (selecting those with the best labour market prospects). Analysis conducted by DSS suggests that this meant some bias in the composition of the interview sample relative to that of the control, non-interview, sample (Kalisch, 1992, Table 1).

In particular, interviews were more likely to be given to unemployed people: with longer durations, who were younger, not Asian born, and from NSW, though none of these biases were very large. The birthplace bias probably reflects language difficulties, and this is likely to have an even stronger effect on the questionnaire responses described here. Otherwise, however, there is little evidence that the interview sample represented people with particularly good employment prospects; if anything a (small) bias probably exists in the opposite direction.

The first column of Table 1 describes some characteristics of this sample of 3,000 long-term unemployment benefit recipients. Over three quarters are male, mainly because wives are often ineligible for unemployment benefits due to their husbands' incomes. The long-term unemployed have higher average ages than the unemployed in general, with 42 per cent aged over 35. This percentage would be even higher if people aged 55 and over had been included in the study. As of September 1990, just under half the sample had unemployment durations of under two years, whilst 15 per cent had been unemployed for five or more years.

The overall response rate (interview and non-interview samples combined) to the 1991 survey was 72 per cent, or 2149 people. The second column of Table 1 compares some of the characteristics of the responding sample with the initial sample of 3,000. The gender and geographic distribution of respondents to the 1991 survey is the same as for the initial survey, though there are significant differences in age and unemployment duration patterns. Generally the unemployed who were

Table 1 : Characteristics of Full Sample Compared with those of Respondents

| | Selected | 1991 Survey Responded | 1992 Survey Responded |
|---|-------------|-------------------------------|--|
| Base | (3000) % | (2149) % | (1266) % |
| Sex | | | |
| Male | 76.5 | 76.7 | 77.3 |
| Female | 23.5 | 23.3 (p>.1) ^a | 22.7 (p>.1) ^a (p>.1) ^b |
| Age Group as at Feb/March 91 | | | |
| 18-20 | 6.5 | 5.9 | 5.5 |
| 21-24 | 18.0 | 16.0 | 14.4 |
| 25-34 | 33.5 | 31.8 | 29.9 |
| 35-44 | 24.0 | 26.0 | 27.3 |
| 45-54 | 18.0 | 20.3 (p<.001) ^a | 22.9 (p<.001) ^a (p<.001) ^b |
| Duration of UB to Sept 90 | | | |
| 1 yr - under 2yrs | 45.0 | 43.0 | 38.7 |
| 2 yrs - under 5yrs | 40.5 | 40.9 | 42.1 |
| 5yrs and over | 14.5 | 16.1 (p<.005) ^a | 19.2 (p<.001) ^a (p<.001) ^b |
| State | | | |
| NSW (incl ACT) | 44.6 | 44.8 | 46.0 |
| QLD (incl NT) | 17.1 | 16.5 | 13.8 |
| SA | 12.6 | 12.9 | 14.8 |
| Tas | 4.6 | 4.9 | 5.7 |
| Vic | 15.1 | 15.0 | 13.8 |
| WA | 6.1 | 5.9 (p>.1) ^a | 5.9 (p<.001) ^a (p<.001) ^b |

Notes: a) Compared with full sample.
b) Compared with 1991 survey respondents.

older and had longer durations were more likely to respond to the questionnaire (duration and age are positively correlated). One explanation for this is the greater geographic mobility of younger people.

2.2 The 1992 Survey

In 1992 the SPRC was asked by the Department of Social Security to undertake a follow-up survey of the people who had responded to the 1991 survey. This postal survey was sent out in October/November 1992 (a small number of personal interviews were also conducted).³ A total of 1266 useable responses were returned (including those received after a reminder letter). This represents 59 per cent of the 1991 survey respondents, or 42 per cent of the original sample of 3,000.

(One particularly disturbing feature of the mail-out response was that two questionnaires were returned with comments from relatives indicating that the person had recently committed suicide. Two more people had died from causes not specified.)

The main reason for the low overall response rate is that the original survey was not intended as the first wave of a longitudinal survey and so additional contact addresses and other procedures typically associated with longitudinal surveys were not employed (these would have been difficult to implement in any case without personal interviews). When this is combined with the residential mobility of the unemployed, and the possibility that people who had found jobs did not consider a survey about 'NEWSTART outcomes' was relevant to them, a low response rate is perhaps inevitable.

More important than the response rate itself, however, is whether response probabilities varied between groups. Some evidence on this is shown in the last column of Table 1. Whilst the gender distribution remains representative, there is a lower response rate from people living in Queensland and Victoria. The age distribution is further biased towards older respondents, and associated with this, towards those people who had longer durations of unemployment in 1990. As was indicated above, since both the 1991 and 1992 surveys were self-completion postal questionnaires, we would expect a particularly low representation of people with poor English language literacy. Whilst it would thus not be appropriate to describe the survey results presented here as entirely representative of the population of long-term unemployed, such biases are difficult to avoid when collecting longitudinal data for marginalised population groups.

Since labour market outcomes are of particular interest in the present study, an important question is whether response rates are related to this. It might be

3 Respondents to the earlier survey were given an opportunity by DSS to decline to take part in the 1992 survey before addresses were supplied to the current researchers. Only a small number of people did so.

plausible, for example, that people who find employment would be less inclined to answer a 'Newstart Outcomes Survey'. Even more significant, the addresses used for the 1992 mail-out were checked by DSS staff and updated where a new address was available on DSS files. For people still receiving benefits this meant that the addresses used were generally accurate, whilst for people who had left benefit the address used might be quite old. In future analysis of this data, we hope to be able to control for this potential bias by incorporating some limited longitudinal administrative data from the records of the Department of Social Security. This will enable a consideration of the present income support status of the whole 3,000 cases, rather than just for those who reply to the survey.

One test that can be undertaken with the data available here, however, is to examine the probability of people responding to the 1992 survey in terms of their characteristics in 1991. Table 2 suggests that there is some tendency for people who were working part-time in 1991 to be less likely to respond to the second survey, but this difference is not statistically significant ($p=.11$).⁴

3 What Happens to the Long Term Unemployed?

3.1 Labour Market Status and Incomes

Bearing these limitations in mind, we begin by describing the status of the 1992 sample. Table 3 presents a depressing picture. Over 85 per cent of the sample were still reliant upon pensions and benefits for their income, and only 8 per cent were working full-time. About a quarter of the latter group (1.8% of the total) were full-time employed in a Jobstart (wage subsidy) job.

Of the people working full-time, about 40 per cent were in casual jobs,⁵ though two-thirds considered that their job would be likely to last a year or more. Twenty per cent of full-time workers were self-employed. The main ways in which people found their job was via friends or relatives (30%) or by approaching employers directly (19%). A significant proportion (17%) had started their job through Jobstart or some other government scheme. Of these, 38 per cent were no longer being subsidised.

The fact that any of the sample had jobs might be considered a success by some, given the depth of the recession and the disadvantaged nature of the people being considered here. Interestingly, quite a high proportion of the sample had part-time

4 A similar analysis of response rates by whether people were interviewed under the original Newstart scheme is also not statistically significant, though there is a slight tendency for people interviewed to be less likely to respond (58 vs 60 per cent).

5 Defined as jobs which did not have holiday and sick pay.

Table 2: 1992 Response Probabilities by Labour Force Status in 1991

| 1991 LFS | No. of Cases | Percent Responding to 1992 Survey |
|---------------------|--------------|-----------------------------------|
| Employed | | |
| Full-time | 50 | 58.0 |
| Part-time | 138 | 52.9 |
| Mixed hours | 64 | 57.8 |
| Employed Total | 252 | 55.2 |
| Unemployed | 1770 | 60.2 |
| Not in Labour Force | 89 | 50.6 |
| Total | 2111 | 59.2 |

Note: Full-time/Part-time distinction based on hours worked per week over the preceeding six months.

Table 3: Current Circumstances of Respondents to the 1992 Survey**Main Source of Income**

| | |
|---------------------|------------|
| | (N = 1202) |
| Benefit | 81.9 |
| Pension | 3.7 |
| Education allowance | 1.2 |
| Other | 13.1 |

Note: Includes income of respondent and their spouse.

Labour Force Status (a)

| | |
|-----------------------------------|------------|
| | (N = 1266) |
| Full-time employee (no subsidy) | 4.1 |
| Full-time employee (wage subsidy) | 1.8 |
| Full-time self employed | 1.7 |
| Full-time education | 1.2 |
| Part-time employed | 11.0 |
| Unemployed | 73.6 |
| Not in labour force | 6.6 |

Note: a) Categories are hierarchial reading down the table. For example a full-time student who was also working part-time would be categorised as in full-time education.

jobs (11%), despite the high effective marginal tax rates facing income support recipients. Perhaps because of this, the hours worked were generally low, with a median of 10 hours per week, and only 15 per cent of the part-time workers working more than 20 hours per week.

The employment experiences of the sample over the last two years are consistent with this point-in-time picture. Table 4 shows the number of months people had worked (full-time and full- and part-time combined) since August 1990. Two-thirds of the sample did not have any employment at all over this period. For a further 18 per cent, this employment had only been part-time. Five in six of the sample had thus probably been eligible for continuous unemployment benefit payments since the initial sample selection. In other words, for 5/6ths of the sample, the duration of benefit receipt in 1992 was probably over three years (and in some cases much more than this).

As noted above, these estimates should be considered 'worst bounds' for the labour market outcomes of people who were long-term unemployed at the beginning of the current recession. This is because almost all the possible biases discussed above imply that those with the best labour market outcomes would be most likely to be excluded from the 1992 sample. The only exception to this rule is that many people with very poor English literacy would also be likely to be excluded.

3.2 Reasons for Unemployment

In Table 5, answers to the question 'What are the reasons you have been unable to find work?' are described. Not surprisingly, the most common response was 'No work available in area'. 'No jobs available in line of work' also figured strongly. Lack of skills, qualifications and work experience was mentioned by many people, and 30 per cent mentioned difficulties with transport. The latter probably refers to the difficulty of approaching employers without private transport. Some 15 per cent of people reported health problems as being important.⁶ The small number of people with language problems is no doubt a significant underestimate of the true situation.

3.3 Spouses

Overall, some 46 per cent of the 1992 respondents were married, and 91 per cent of these were male. Very few married women are included because the income of a

6 As a methodological aside, it is interesting to compare this pattern with the responses to the 20 face-to-face interviews conducted with people from the sample. Of these 20 cases (15 of whom were looking for work), 7 mentioned health problems. This represents a much higher rate than the 15 per cent for the sample as a whole. Nonetheless, these 7 people had also indicated health problems on their questionnaire. This discrepancy provides a useful example of the problems of drawing inferences from small samples.

Table 4: Employment Experience, August 1990 to October 1992.

| Months Employed | Full-time (%) | Total (%) |
|------------------------|--------------------------|----------------------|
| 0 | 83.6 | 66.1 |
| 1-6 | 9.4 | 16.7 |
| 7-12 | 4.2 | 7.7 |
| 13+ | 2.7 | 9.5 |

Table 5: Reasons Why Survey Participants Were Unable to Find Work

| | Per cent Listing Reason^(a) |
|--|--|
| No work available in area | 65.9 |
| Considered too young or old by employers | 47.0 |
| Do not have the right skills or qualifications | 42.1 |
| No jobs available in line of work | 37.3 |
| Do not have recent work experience | 34.1 |
| Difficulties with transport | 30.5 |
| Disability, illness or injury | 14.6 |
| Language problems | 9.1 |
| Other | 8.5 |
| Difficulties with child care | 1.9 |

Note: a) Multiple responses were possible.

working husband would typically disqualify them from income support (and hence they would not be included in the original sample). Given the rising level of labour force participation of married women, the question arises of the likelihood of men being disqualified in the same way. It is well established, however, that the employment rate of the wives of unemployed married men is much lower than that of women overall (e.g. Bradbury, 1992). Potential explanations for this relationship include: the particular labour market characteristics of these women, the effect of high effective marginal tax rates in discouraging part-time work, and social norms which are antagonistic to women working when their husbands are not.

In the sample being considered here, only three per cent of the wives of men in the sample were working full-time, and only nine per cent part-time. A further 29 per cent were looking for work whilst 60 per cent were not in the labour force. Table 6 shows how this participation pattern varies along with husbands' labour force status. In order for the husband to be included in the original sample, the wife could not have been working full-time (or must have been earning a very low wage). For those few men who had gained full-time employment by 1992, 18 per cent had wives working full-time, whilst for 20 per cent the wife was working part-time. The employment rates for wives whose husband continued to be unemployed were much lower. This provides further support for a causal link between husbands' and wives' employment, but still does not permit a comparison of the three potential explanations noted above.

Some information with a more direct bearing on causal patterns is presented in Table 7. This shows husbands' views on why their wife was not working or looking for work. The most common response reflected the view that caring was women's responsibility. One unemployed man who was personally interviewed said that his wife was not working nor looking for work: 'She got four kids, the four kids they need the woman to cook, to clean up...'. For families where there were no children aged under 16 the most common reasons given for wives not working were ill health (47%) and no jobs available (31%). In 13 per cent of cases, however, caring responsibilities were mentioned (presumably for older relatives). Interestingly, very few men chose 'not worth it' as a reason - despite the fact that high effective marginal tax rates often mean that this is the case.

Whilst this thus suggests that social attitudes play an important role in the low participation rates of women with unemployed husbands this data does not, on its own, tell us how families with unemployed husbands differ from families with employed husbands. (This question will be partly addressed by a forthcoming DSS commissioned project to be undertaken by the SPRC.)

4 The Long-term Impact of the Initial Newstart Program

The most important conclusion to come from the initial analysis of the 1991 survey results was that people who had been through the Newstart program in late 1990 had a significantly higher chance of being employed at the time of survey in March

Table 6: Labour Force Status of Wives by Labour Force Status of Husbands, 1992.

| Wife | Husband | | | | Total % |
|---------------------|----------------|----------------|-----------------|-----------------------------|------------|
| | Full-time % | Part-time % | Unemployed % | Not in Labour Force % | |
| (N) | (45) | (54) | (349) | (21) | (469) |
| Full-time | 17.8 | 7.4 | 0.9 | 0.0 | 3.2 |
| Part-time | 20.0 | 18.5 | 6.0 | 4.8 | 8.7 |
| Unemployed | 17.8 | 29.6 | 30.4 | 19.1 | 28.6 |
| Not in Labour Force | 44.4 | 44.4 | 62.8 | 76.2 | 59.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Table 7: Husbands' Views on Why Their Wives Were Not Looking for Work, 1992.

| Reason | Per cent Giving Reason ^(a) |
|---|---------------------------------------|
| Looking after children or other relatives | 75.0 |
| Ill health | 19.1 |
| No jobs available | 11.0 |
| No job skills | 7.2 |
| Retired | 2.1 |
| Not worth it | 2.1 |

Note: a) Multiple responses were possible.

1991. Even though overall employment rates were low due to the recession, the fact that 15 per cent of people who had received a Newstart interview were employed, compared to only 9 per cent of those who had not, was very encouraging (Kalisch, 1992). Have these gains been maintained over a longer period?

One hypothesis might be that people who were able to get a job at the beginning of the recession were able to benefit from the accumulating advantage of employment, and were able to acquire skills that placed them permanently in a better labour market position. More likely, however, is that the difference between the Newstart interview group and the non-interview group will be attenuated over time. One reason for this is that some of the employed people in the 1991 survey may have still been participating in wage subsidy programs. After the expiry of the wage subsidy period, some of these people would lose their jobs. More generally, after July 1991 the Newstart program was extended to all long-term unemployed, and so any benefits from labour market programs (or simply the interviews themselves) would be spread more widely, and hence any initial advantage might be attenuated. Moreover it is possible that some compensatory element may have existed under the new scheme, where people who had not participated in programs earlier were given priority.

A comparison of the 1992 labour market outcomes of the interview and non-interview samples is shown in Table 8. Excluded from this table are people who were selected in the non-interview sample, but had actually had a Newstart interview by the time the interviews were conducted. The first two columns of the table show labour market status as recorded by the survey in March 1991. The employment status variable is something of mixed measure, as the 1991 survey did not ask whether people were full- or part-time employed at the time of the survey. People who described themselves as currently employed are separated into full- and part-time categories on the basis of their employment over the previous six months.

The second two columns show the same information, but in this case only for those people who responded to the 1992 survey. The pattern in both cases is the same: though employment rates are low for all groups, they are significantly higher for the interview than the non-interview group.

The last two columns of the table show the labour market status of these two samples in October 1992. As expected, the difference between the two groups is attenuated and now only marginally statistically significant.⁷ Given the depth of the recession, it is perhaps surprising that any difference remains at all. Two years after the initial Newstart interviews, 21 per cent of the interview group were employed (full-time or part-time) vs 16 per cent of the non-interview group. For full-time employment, the difference is smaller, nine vs seven per cent.

7 The employment/population ratio for the two groups is significant at the six per cent level.

Table 8: Labour Force Status of Interview and Non-interview Samples, 1991 and 1992

| Labour Force Status | 1991 Sample | | 1992 Sample in 1991 | | 1992 | |
|---------------------|-------------|-----------------|---------------------|-----------------|-------------|-----------------|
| | Interview % | Non-interview % | Interview % | Non-interview % | Interview % | Non-interview % |
| (N) | (1015) | (789) | (598) | (475) | (608) | (480) |
| Employed | | | | | | |
| Full-time | 4.2 | 0.9 | 4.2 | 0.8 | 8.9 | 7.1 |
| Part-time | 7.4 | 6.2 | 6.7 | 5.3 | 11.8 | 9.2 |
| Mixed hours | 3.7 | 2.2 | 4.0 | 2.3 | na | na |
| Employed Total | 15.3 | 9.3 | 14.9 | 8.4 | 20.7 | 16.3 |
| Unemployed | 80.4 | 86.2 | 81.9 | 87.2 | 71.4 | 75.6 |
| Not in Labour Force | 4.2 | 4.6 | 3.2 | 4.4 | 7.9 | 8.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Table 9 further examines these employment patterns in terms of the particular labour market programs in which individuals participated. Note that there was no restriction on people who did not have a Newstart interview from participating in a LMP, though the rate of participation was higher for those receiving Newstart interviews. The conclusions here must be significantly more cautious, because the complexity of labour market programs means that people often do not know which programs they participated in. Indeed, and particularly for the interview sample, a large proportion of people did not answer the questions on labour market program participation.

Considering the last panel of Table 9 first, there does seem to be a relation between program participation and later employment outcomes. In particular, those people participating in Jobstart programs had a higher level of employment than those who did not ($p=0.03$). This conclusion was also found by Kalisch in the 1991 survey, and is also mirrored in the top two panels of the table for the two groups considered separately. The influence of the Newstart interview alone can be gauged by comparing the outcomes of the people who did not participate in any program. The employment rate of the interview group is again higher, suggesting a positive effect from the interview itself ($p=0.03$).

Table 9: 1992 Labour Force Status by 1991 Interview and Labour Market Program Status

| Sample/Labour Market Programs ^(a) (N) | 1992 Labour Force Status (%) | | | | |
|---|------------------------------|-----------|------------|------------------------|-------------------|
| | Full-time | Part-time | Unemployed | Not in labour force | Missing data % |
| Interview | | | | | |
| Jobstart (56) | 16 | 14 | 68 | 2 | 38 |
| Training (127) | 7 | 10 | 76 | 6 | 25 |
| Job Search (54) | 11 | 15 | 70 | 4 | 25 |
| None (269) | 10 | 14 | 65 | 11 | 44 |
| Non-interview | | | | | |
| Jobstart (17) | 12 | 12 | 71 | 6 | 12 |
| Training (23) | 0 | 22 | 70 | 9 | 7 |
| Job Search (7) | 0 | 14 | 86 | 0 | 14 |
| None (392) | 8 | 8 | 75 | 9 | 15 |
| Total^(b) | | | | | |
| Jobstart (92) | 13 | 17 | 66 | 3 | 26 |
| Training (171) | 6 | 11 | 77 | 6 | 16 |
| Job Search (71) | 10 | 13 | 73 | 4 | 27 |
| None (779) | 8 | 11 | 72 | 9 | 31 |

- Notes:
- a) A few people participated in more than one program. They are counted twice or three times here.
 - b) Total includes people in the non-interview sample who had received a Newstart interview by the 1991 survey date.

As noted above, though, the results associated with the LMPs should be considered with considerable caution due to the poor quality of the self-reported data on labour market program participation. In future analysis, we hope to combine the survey data described here with administrative data on LMP experience. Moreover these conclusions, like all the comparisons made here, rest upon assumptions that the groups being compared do not have any underlying differences. In particular, the comparisons assume that the sample selection procedure produced a 'fair' control group, and that there is no 'creaming' of the most capable people into labour market programs. A particular problem with the Jobstart program in this respect is that the CES can only offer a person a Jobstart subsidy. The individual then still has to persuade an employer to employ them. This means that the people who actually receive the subsidy may tend to be the 'cream' of those people who are eligible for Jobstart.

One way of drawing slightly more robust conclusions is with the use of multivariate analysis. This permits the relationship of independent and dependent variables to be analysed whilst holding constant other causal factors. Since the dependent variables

being considered here are categorical, logistic regression is appropriate. Two main models were estimated: One, employment (full- or part-time) vs non-employment in 1992 as a function of 1991 interview and labour market program status and other characteristics, and two, full-time employment vs part-time employment or not working, as a function of the same variables. Program characteristics were modelled with indicator variables for Jobstart, training and job search assistance received, together with variables flagging people in the interview sample and those in the non-interview sample who had received a Newstart interview. Selected interactions between these variables were also tested. The other characteristics included in the regression included age (and age squared), sex, marital status, education level, together with a set of variables listing self-perceived problems in finding work (in 1991).

The results of these two regressions (for the key variables of interest) are shown in Table 10. The third line of the table shows that the 1991 interview sample had a significantly⁸ higher employment probability in 1992. At the mean employment probability, people from the interview sample had a 6.7 percentage point higher employment rate, and a 2.3 percentage point higher full-time employment rate (though this latter difference is not significantly different from zero).

Why the interviews should have such an impact after such a long period of time is unclear. One hypothesis is that the additional job search motivated by the interviews led to these people having a higher employment rate soon after the interviews, and this advantage continued to 1992. However when the regressions described above are repeated with additional explanatory variables describing the respondents' labour market status as of the 1991 interview the relationship between interviews and 1992 employment is essentially unchanged. Thus the 1992 impact of the interviews does not act via an impact upon 1991 employment rates.

In terms of labour market programs, whilst the effect of Jobstart is positive for all samples, it is generally not statistically significant⁹, and there is even less evidence of an impact from other LMPs. The one significant result is that those people in the non-interview sample who had nonetheless had an interview by the time of the survey and who had participated in Jobstart had a significantly higher employment rate (there were not enough cases to estimate a separate full-time employment rate for this group). One possible explanation for this is that this group may have been particularly highly motivated to seek out Newstart interviews and associated programs (the number of cases in this group is also particularly small).

8 Estimates with 't' values in excess of 1.96 are significant at the approximate five per cent level.

9 If the disaggregation of the Jobstart effect across the samples is removed, the 't' statistic is still only 1.58.

Table 10: The Relationship of 1992 Labour Force Status to 1991 Labour Market Program Participation

| Independent variables (1991) | Dependent Variables (1992) | | | | | |
|---|-------------------------------|---------------------------------|-------|-------------------------------|---------------------------------|-------|
| | Employed | | | Full-time Employed | | |
| | Logistic regression parameter | Increase in probability at mean | 't' | Logistic regression parameter | Increase in probability at mean | 't' |
| Mean probability | | 0.198 | | | 0.081 | |
| Intercept | -1.130 | | | -1.4825 | | |
| Interview sample | 0.421 | 0.067 | 2.06 | 0.3121 | 0.023 | 1.09 |
| Non-interview sample with interview | 0.322 | 0.051 | 1.17 | -0.1253 | -0.009 | -0.29 |
| Non-interview sample (reference category) | | | | | | |
| Jobstart | | | | | | |
| Interview sample | 0.295 | 0.047 | 0.60 | | | |
| Non-interview sample | 0.943 | 0.150 | 1.04 | | | |
| Non-interview sample with interview | 2.270 | 0.360 | 2.02 | | | |
| All samples | | | | -0.0674 | -0.005 | -0.10 |
| Training | -0.020 | -0.003 | -0.05 | -0.407 | -0.030 | -0.66 |
| Job search | 0.005 | 0.001 | 0.01 | 0.1225 | 0.009 | 0.20 |

Note: Other controlling variables are not included in this table.

The main conclusions to be drawn from this regression analysis are thus similar to those that stem from Table 9. Though these relationships are often not statistically significant, they are consistent with Kalisch's conclusion that the Newstart interviews and Jobstart programs had a positive impact upon employment prospects, though after two years, the effect is relatively weak. Interestingly, the impact seems to be as much (or more) on part-time employment as on full-time.

As noted above, there are two main caveats to this conclusion. First, it must be assumed that the people in the samples are otherwise identical apart from the measured characteristics included in the regression. Potential biases could stem from the selection process used by regional offices in choosing people for the initial interviews (though observable characteristics show no evidence of 'creaming'), and the tendency for more motivated people to take up Jobstart opportunities. The second limitation is that information on program participation is of relatively poor quality (and is missing for many cases). Whilst there is no way of dealing with the

first of these limitations in the present study, as noted above, we hope to improve on the latter in future analysis.¹⁰

5. Conclusions

The conclusions of the paper fall into two groups: the current circumstances of the sample, and the relationship of these circumstances to the initial Newstart and LMP experiences.

- As might be expected, the labour market outcomes of people who entered the current recession as long-term unemployed have generally been very poor. Whilst there is some reason to suspect that overall outcomes might be better than those reflected in the results presented here, this broad conclusion is unlikely to be altered.

Nonetheless some eight per cent of the sample were currently working full-time, and another 11 per cent were working part-time.

- Consistent with other data sources, very few of the wives of the unemployed married men were working. The most common reason advanced for this (by unemployed husbands) was women's caring responsibilities. For families without children, poor health was the most common reason advanced.

The relationship of these circumstances to Newstart and LMP participation is perhaps the most interesting conclusion of this research, but also the area where conclusions are most tentative.

- A major conclusion of the 1991 study was that people who had participated in the Newstart interviews had higher employment rates. Simple and multivariate analysis both indicate that this pattern continues in 1992, though the difference is attenuated. Receiving an interview appears to help employment irrespective of whether the person actually participated in any LMP. The impact of the interviews appears to be as great (if not greater) for part-time work.
- The only labour market program which has a consistent long-term positive impact is participation in the Jobstart program. The only case where this impact is statistically significant is for those people in the non-interview sample

10 Another extension might be to consider people's experiences of LMPs after March 1991 (i.e. under the new Newstart) and compare these with October 1992 outcomes. A problem with this is that causality of a reverse nature may apply; that is, people who had some employment after March 1991 would be least likely to have participated in a LMP (since they had a job). Indeed 1992 full-time employment rates are slightly lower amongst those people who had experienced job training or job club/job search training programs in the previous two years (though not significantly different). For people who had experienced job start programs, current employment rates are higher, but only because many people are still in subsidised employment.

who also had an interview. However this group is the group for which self-selection bias is likely to be most important.

With respect to these conclusions, one cautionary comment and one further question seem to be in order. First, since the administrative operation of the initial Newstart interviews and LMPs means that random assignment could not be used, the conclusions about impact are subject to assumptions about the comparability of the different groups. Whilst there is no evidence that the best people were selected for interviews, some type of self-selection might be more plausible in the case of LMPs. Jobstart in particular, requires a significant input from the unemployed person, with the possibility existing that the people who actually take up the wage subsidy may be the most motivated of those people who have access to it. If we really want to know exactly how effective programs are in helping unemployed individuals, then there is little alternative to a fully randomised allocation of program places.

Second, the way in which participation in the initial Newstart interviews increases long-term employment rates is difficult to understand. A short-term impact is likely via increases in job search effort, and possibly a willingness to admit to part-time employment. It is hard to see how a single interview could maintain these impacts over an extended period of time.

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Future Job Growth: Who Will be Better Off?

John Burgess
Department of Economics
University of Newcastle

1 Introduction

A number of recently published studies (Department of Employment, Education and Training, DEET, 1991; Business Council of Australia, BCA, 1992; Australian Council of Social Service, ACOSS, 1993) have drawn attention to the emerging trends in the Australian labour market over the coming decade. Central issues include the nature of the workforce, the nature and availability of work, and the relationship between work and income at the start of the next century. Work remains a crucial variable in the formulation of social policy. Access to work, the conditions associated with work and the wage and non-wage benefits generated by work remain key variables in determining living standards, the incidence of poverty and the distribution of income in the community. However, the indications are that by the turn of the century there will be insufficient work to meet the needs of those who wish to participate in the productive activity of the community, that much available work will not be able to generate an income sufficient to support a minimum standard of living and that there will be growing disparities in the workforce in terms of the conditions and security of employment, and in terms of access to the wage and non-wage benefits generated through employment.

Australia approaches the 21st century with record post-war unemployment, a growing pool of long-term unemployed and growing poverty and inequality. The problems posed by the deterioration in labour market conditions for social policy are apparent, it is equally apparent that these problems are set to increase, rather than diminish. The purpose of this paper is to outline a pessimistic scenario for labour market conditions in Australia by the turn of the century. Even if there is job growth, the prediction is that the nature of the additional jobs generated will in all likelihood lead to an intensification of income inequality and growth in workforce division.

The paper is organised as follows. The following section briefly outlines the arguments developed in this paper. Subsequent sections outline the breakdown in standard employment in Australia. The likely sectors and occupations for job growth for the rest of this decade are identified. A brief overview of the workforce in 2000 then follows. The final sections discuss the implications of the workforce projections.

2 Argument

Two features dominate the development of the Australian labour market over the last two decades. The first is an absence of job growth, or alternatively, the persistence of high rates of unemployment. Indeed, mass unemployment is becoming a permanent feature of the Australian economy. Through the authority of orthodox economic theory, policy makers are accepting such unemployment rates as being 'natural'. This is despite the growing body of theory and evidence in support of the effectiveness in combating unemployment of an active labour market policy and greater integration between labour market policy, education policy, social policy and macroeconomic policy (Layard, Nickell and Jackman, 1991). The second is the transformation in the conditions and characteristics of employment. The nature of work is inexorably being transformed away from standard employment characterised by full-time, permanent employee status generating both a minimum income level and access to a range of non-income entitlements. Non-employee status, less than full-time employment, temporary/casual employment conditions, and an uncertain or limited employment duration are some of the characteristics of many of the new jobs being generated in Australia. There is nothing to suggest that the disintegration of standard employment will be reversed by the end of the century. Indeed, available workforce projections suggest that, if anything, the disintegration of standard employment will accelerate. This process is being assisted by government policies, especially the adoption of a 'rational' policy agenda, the dissolution of the centralised wage determination process and the opportunism of employers under the umbrella of labour flexibility strategies.

At the turn of the next century it is not too unrealistic to expect that, under optimistic scenarios, around eight per cent of the labour force will be unemployed. Likewise, it is not too far fetched to suggest that at least half of the unemployed would be in long-term unemployment. Finally, it is possible that up to one half of the workforce could be in non-standard employment. If these modest forecasts are fulfilled then there are major implications for social policy at the turn of the next century, not the least being a large number of working poor and increasing income polarisation of the workforce.

3 The Trend Towards A Non-standard Workforce

The standard workforce is associated with full-time, permanent, wage employment. This model of employment was dominant in the post-war period and was supported by a number of economic and social conditions. Across the OECD this period was the 'golden age' of growth (Maddison, 1991) in which high rates of growth and accumulation supported full-employment and increases in real wages and living standards. Rodgers (1989: 1) discusses the 'standard' employment relationship as being a characteristic of the post-war period of reconstruction and sustained growth. It was also a period of general labour shortage in which full-time employment and minimum employment conditions, including wages, could be enforced. Supporting the standard workforce was a regulatory regime that enforced minimum conditions

and standards across the workforce, and in Australia's case protected these standards from 'low cost' external labour through supporting tariffs. This 'standard' employment relationship incorporated an implicit regularity, even permanence of employment, it encompassed minimum acceptable standards and conditions of employment and labour income, and it was institutionalised through either legal enforcement or collective consensus. The post-war employment framework allowed for a national distribution of productivity dividends and there was an implicit integration of wage and social policy to the extent that a minimum or basic wage was incorporated into the wage determination framework.

The standard workforce also embodied a number of social assumptions. Namely that market employment was the domain of males who had a 'bread-winner' responsibility to support a standard household of dependants including a spouse and children. In turn, this male centred view of employment was reinforced by trade unions and tribunals, explicitly in Australia through a gender based wage structure.

The relative decline in permanent full-time wage employment in Australia and for the OECD has been well documented (Cordova, 1986; Kuhl, 1990; Hakim, 1990b; Campbell and Burgess, 1993). More and more workers are finding themselves in forms of work which, in one way or another, deviate from permanent full-time wage employment. Associated with the demise of standard employment has been the break-down of the conditions supporting standard employment. The economy has entered into a long phase of stagnation. Excess demand for labour has given way to excess supply. Tariff protection for industry has gradually been reduced. The workforce is increasingly becoming feminised and trade union densities have been falling. A regime of product and labour market regulation has given way to a regime of competition. In their analysis of an emerging 'marginal' workforce, Bray and Taylor (1991: 7-8) detail four areas in which the deviation from standard employment occurs:

- ambiguous or non-employee legal status;
- poor rewards from work;
- non-standard temporal work arrangements; and
- insecurity of employment.

Over the last two decades the conditions and the consensus underpinning 'standard' employment have gradually been eroded under the combined pressure of lower growth rates and higher unemployment rates, greater volatility and uncertainty in international trade and finance, and the acceptance of the principles of market liberalism as a guiding doctrine for economic policy. As a consequence 'non-standard' work forms are becoming more prevalent. As the adjective suggests, non-standard employment covers a large and diverse range of different employment types, the only common thread being different degrees of departure from standard employment (Campbell and Burgess, 1993: 87).

Despite major methodological and statistical difficulties (Campbell, 1991) it is possible to demonstrate the clear departure from standard employment in Australia. For example, in 1991 only 60 per cent of the workforce were full-time permanent employees; 20 years earlier the proportion would have been at least 75 per cent (Campbell and Burgess, 1993: 97). The reasons for the shift towards non-standard employment are complex, controversial and diverse. They include the impact of persistently high unemployment rates, the structural shift in the composition of output and employment, the increasing rates of female labour force participation, government policies and employer workforce strategies. The important point for this paper is that the pressures generating non-standard jobs in the economy are unlikely to decline over the next six years. If anything, some of these pressures will intensify. One sustained pressure for non-standard jobs will be the continuation of high unemployment.

4 Low Growth, High Unemployment and Non-standard Employment

Over the past 20 years Australia has entered into every recession with a higher rate of unemployment than compared to entry into the previous recession. High unemployment rates will persist into the next century because the economy will not grow sufficiently to generate enough jobs in order to significantly reduce the unemployment rate. The simple arithmetic (Indecs, 1992, ch.4) linking growth rates and the unemployment rate means that as a rule of thumb the Australian economy has to achieve real GDP growth of at least four per cent per year for the next six years in order to reduce the unemployment rate to around five to six per cent. If the average growth rate is around three per cent (above the average for the past five years), then we can expect an unemployment rate of around 10 per cent and in turn a large number of the unemployed in long-term unemployment (Chapman, Junankar and Kapuscinski, 1993).

Hence any recovery is unlikely to return us to the unemployment rate and the numbers in long-term unemployment of pre-1989. There will be considerable excess labour supply till the turn of the century. This means that many workers will be pushed into forms of involuntary work that constitute various forms of hidden and disguised unemployment or underemployment (Stricker and Sheehan, 1981). The recent history of the Australian labour market suggests that the share of non-standard employment in total employment accelerates when there is considerable excess supply in the labour market associated with a recession. Many of these involuntary jobs, such as self-employment and casual part-time employment, are non-standard in nature. It also means that those in standard employment will be under pressure to retain employment conditions: the excess labour supply will allow employers to drive a harder bargain than they did in the past. The move towards enterprise bargaining will assist in this process.

Under these conditions employers will be reluctant to hire standard workers. Many of the strategies associated with numeric flexibility, including sub-contracting and

hiring part-timers, are the response to stagnant and uncertain product market conditions. The *Workforce 2000* study (BCA, 1992) of employment strategies by large firms highlights the point that the strategies promoting numeric flexibility are largely driven by the needs of cost-cutting and uncertainty promoted by stagnant product market conditions. If product market conditions remain flat for the coming years, then the drive for numeric flexibility will continue.

If the economy enters into a phase of low growth rates, then there is the possibility of another recession before the end of the century. Recession tends to accelerate the shift to non-standard employment. For example, the recent recession has seen a massive shift towards non-standard employment. Two developments stand out over the 1990-1992 period. First, there was a massive loss of full-time wage jobs. Over 1990-92, full-time jobs declined by 350,000, many of these being males from the manufacturing and construction sectors. Second, at the same time there continued to be growth in both part-time workers (200,000) and in non-employees (40,000). The net impact of the recession was to significantly further shift the composition of employment further towards non-standard employment (Burgess and Campbell, 1993).

If the economy remains in a low growth phase, then by the turn of the century a large and growing proportion of the workforce will be in non-standard employment. However, the process is not symmetrical. That is, if growth rates do pick up, the number of standard jobs will increase. However, these will be more than matched by an increase in non-standard jobs. The experience of the 1980s is instructive on this point. Of the approximately 1.5 million additional jobs created between 1983 and 1989, over 600,000 or nearly 40 per cent were part-time jobs. The argument proposed is that the sectoral sources of job growth over the next six years combined with employer strategies and government policies will ensure that the trend away from non-standard employment continues, regardless of the underlying rate of economic growth. If there is a continued stagnation in the growth rate, the shift towards a non-standard workforce will accelerate.

5 The Continuation of Downsizing and Employer Flexibility Strategies

One feature of the recent recession was the extent of job shedding by large private companies, with one estimate being that private sector companies with more than 100 employees reduced their workforce by a massive 15.7 per cent in the year to February 1992 (Shann, 1992). Recent industrial action in the banking sector over proposed job cuts have publicised the fact that job-shedding by large companies will continue. Large companies such as BHP, ANZ, Westpac, Telecom and the Commonwealth Bank have a program of reducing workforce numbers over the next few years, regardless of any economic up-turn. Large companies are reducing costs and rationalising their operations, many are selling off non-core businesses. In part the pressure for downsizing comes from the build up of debt in the 1980s being compounded by high interest rates and the recent recession. Also, changes in product

market conditions, including internationalisation, deregulation and privatisation are forcing large private and public sector enterprises to reduce costs and increase productivity levels.

A recent survey by the Business Council of Australia (1992) drew attention to downsizing as a key strategy by medium to large businesses in adapting to the pressures of the recession. However, the survey also highlighted the fact that the same companies see downsizing continuing into the future, even with an economic recovery. The Business Council of Australia (1992) survey covered 146 companies employing in total 500,000 workers. It was found that over 1991, 75 per cent of the companies had reduced their workforce. More importantly, 62 per cent of the respondent companies expected to reduce their employment numbers over the next five years. Even with growth and recovery, large companies are anticipating being able to operate with fewer employees and by implication with much higher productivity levels. The Business Council states that

A clear message emerges -the pace of industry restructuring and workforce reform will continue ... the mutual process of downsizing and productivity improvement will be maintained.
(BCA, 1992: 13)

The other workforce adjustment process highlighted by the Business Council report was the expected increase in part-time workers and in sub-contracted workers. Indeed, the report explicitly identified a dualistic workforce structure in place for large companies: the 'core' of secure, full-time and comparatively well paid workers and a 'periphery' of part-timers, sub-contractors and other outside workers supporting the enterprise on a needs basis. This was found to be especially the case in those companies who were expecting low sales growth for the next five years

It is interesting that the Business Council (1992) report identified the core/periphery division of the workforce as one strategy likely to be implemented by large Australian businesses over the coming years. This dual workforce structure is associated with the model of the flexible firm developed by Atkinson (1987) and subject to extensive criticism (Pollert, 1988). Central to the controversy is whether the model represents a 'new' employer strategy as opposed to a response to changing product and labour market conditions, and whether the strategies are part of some 'flexibility' objective or merely a simple exercise in cost-cutting (Pollert, 1988). Also at issue is the consequences of the model, especially in terms of the debate over post-Fordism and trade union strategies (Campbell, 1990).

Without entering into the flexibility debate the one pertinent observation is that employers are in a better position to negotiate changes in employment conditions and in work practices than they were in the past. Wilkinson (1988: 344) regards the fundamental shift in bargaining power towards employers as constituting the major characteristic of labour market restructuring over the past two decades. Given the continuation of excess labour supply together with product market pressures it appears likely that many employers will continue to pursue labour flexibility strategies, including as it does the growth in part-time and casual workers, in

contract workers, in sub-contracted workers and in external workers (Atkinson, 1987). Employer practices, in the context of labour market and product market conditions prevailing over the next six years, will see continued growth in non-standard employment.

6 The Perverse Impact of Policy on Employment

Employer practices are not the exclusive cause of a growing non-standard workforce. Rubery (1989) proposes a framework for assessing employment changes that encompasses four components:

- the system of labour market regulation;
- industrial structure and organisation;
- labour market conditions; and
- the system of social reproduction and income maintenance.

Government policies will play an important part with respect to these variables in determining the future shape of the labour force. There are four key policy areas to consider.

First, at the macroeconomic level governments remain tolerant of high unemployment rates. Policies to expand the economy and create jobs are seen as either impractical or ineffective for a range of reasons - budget constraints, crowding out the private sector, current account constraints or inflation constraints. This is not the place to debate macroeconomic policy. However, whatever the constraint, governments remain tolerant about high unemployment rates. In terms of employment this carries with it a number of implications. Employers are in a much better position to negotiate over the terms and conditions of employment. It is much easier to fill temporary, casual and part-time jobs. There tends to be an increase in involuntary self-employment and part-time/casual employment. Overall, as mentioned in previous sections, the conditions of excess labour supply tends to create more non-standard employment. Hence, labour market conditions will be conducive to non-standard employment growth.

Second, within this context the system of labour market regulation is placed under pressure. Employers are in a better position to negotiate a watering down of employment conditions and there are workers who are prepared to accept a reduction in conditions. Under the banner of labour flexibility or a real wage overhang generating unemployment, there is constant political pressure to remove or water down minimum conditions governing employment. Innovative employment practices develop to take advantage of ambiguities in labour law and to circumvent the legislative conditions governing wage employment (Stewart, 1992). Economic and political conditions have been propitious for the erosion and undermining of employment conditions.

The above scenario is becoming a reality. The move towards enterprise bargaining will undermine the rights and conditions of many workers. Bargaining will increasingly be about justifying existing conditions or providing a trade-off in return for an existing condition. The system of guaranteed rights and conditions encompassed in awards can potentially be bargained away, especially if workers are faced with the threat of unemployment as an alternative to not reaching a satisfactory enterprise agreement. The move away from national wage determination and minimum wages and employment conditions can, in the longer term, only lead to an erosion of employment conditions and remuneration. It will also mean that it will be easier for employers to convert full-time jobs into part-time and casual jobs.

Third, industry policy has assisted in the destruction of full-time jobs, especially in manufacturing. In addition, privatisation and corporatisation will accelerate the process as labour is shed in order to improve the balance sheets and potential market price for public sector business enterprises. Some State governments have actively contracted out many activities in order to reduce staffing levels. This effectively converts full-time jobs in part-time, casual and self-employed jobs. As a significant employer in the economy, government employment practices are important in providing a benchmark for the private sector. However, the experience in both New Zealand (Anderson, Brosnan and Walsh, 1993) and Britain (Hakim, 1990a) has demonstrated that it has been the public sector that has led the way in initiatives to convert standard employment into non-standard employment.

Fourth, with respect to income maintenance government policies can promote non-standard job growth in two ways. First, excess labour supply combined with collective bargaining will lead to the destruction of the minimum living wage, so long enshrined in Australian wage determination. It raises the possibility of turning the clock back a century through the creation of large numbers of working poor. Full-time jobs will no longer deliver a minimum income level; in turn this will force individuals into multiple job holding or families into multiple job holding in an attempt to generate sufficient income in order to sustain living standards. Many of the second jobs will be non-standard jobs. Second, the fiscal pressure of persistently high unemployment rates and large numbers of long-term unemployed will place pressure on the unemployment benefit system. Such political pressure on the system emerged prior to the recent Federal election. Part of the political push for labour flexibility includes an attack on the unemployment benefit system, especially its open-ended nature in Australia. If successful, such an attack will drive the unemployed out of the labour force or force them into non-standard jobs.

Overall then, the trend in policy is towards the reinforcement of a number of pressures facilitating non-standard job growth. In turn there will be considerable pressure on all aspects of standard employment from remuneration through to terms and conditions of employment.

7 Future Job Growth in Australia

Attempting to predict the nature of the labour force by the year 2000 depends upon a range of assumptions including labour force growth, school retention rates, retirement rates, economic growth and the growth in world trade. Despite there being a number of optimistic scenarios, the shape of the labour force in 2000 will be dominated by a number of features: unemployment rates and the numbers in long-term unemployment will remain high, non-standard employment will continue to grow and the workforce will increasingly be divided in terms of security, conditions and earnings.

Prior to the Federal elections the Government promised an additional 500,000 jobs over the next five years. While it sounds bold in the context of the dismal job growth over the past few years the number of jobs projected will hardly match the expected growth in the labour force (at least 150,000 per year). That is, based on the acceptance of the promise, in five years time unemployment will be just as high as it is today, if not higher. If this is the case then there will be more of the unemployed in long-term unemployment. Hence by 2000 it appears that the Australian economy will be similarly placed with respect to unemployment rates than it is today, but will be worse off in terms of the numbers of long-term unemployed. In the context of Rubery's (1989) model this would suggest that the conditions in the labour market over the coming six years would be propitious for the continued relative growth in non-standard employment.

The *Workforce 2001* publication by DEET (1991) has attracted some attention in terms of its projections of job growth in the higher paid and professional occupations over the coming years. By occupational group it was projected that professionals would achieve the largest employment growth (33 per cent) of any occupation over the decade to 2001 (DEET, 1991: 23). High growth rates for the decade were expected in selected occupations including computing professional (59.4 per cent). The occupations identified as demonstrating high growth rates account for a relatively small share of employment. Based on employment numbers the areas of greatest growth will tradeworkers, clerks and sales workers - the first group has a high incidence of self-employment, the last group a high incidence of part-time/casual workers.

By industry, annual employment growth was anticipated to be the greatest in recreation (4 per cent), construction (3.8 per cent) and trade (2.6 per cent). The greatest employment decline was expected in public utilities (6 per cent per year).

By industry projections the *Workforce 2001* projections imply a further shift towards non-standard employment. Part-time employment is important in the trade and recreation sectors, while self-employment is important in the construction sector. Standard employment tends to dominate in the public utilities. The simple sectoral composition of projected employment growth in the report lends itself to the conclusion that the relative share of non-standard employment will increase, indeed

the report does acknowledge that part-time work will continue to grow (DEET, 1991: 2).

Another recent publicised finding is that much of the recent employment growth over the past six years has been in small firms employing fewer than 20 persons (Hughes, 1993). This has been taken up by the media to suggest some underlying dynamism in the economy on the basis of a 'small is beautiful' approach. Such a finding should not be unexpected in the light of previous discussion. Large firms are downsizing, sub-contracting, moving out of core businesses and contracting out: this not only creates opportunities for small business but boosts the relative employment share of small business. Contracting out by the public sector will have a similar effect. However, the data should be viewed with caution. First, self-employment has increased largely in concert with the recession, it is likely that some small business start-ups represent a refuge from unemployment (Stricker and Sheehan, 1981; Campbell and Burgess, 1993). Second, the turnover rates and bankruptcy rates for small business are very high; a small minority of small business survive beyond five years (Burgess, 1992). Finally, small business also has more insecure employment conditions and a higher incidence of non-standard employment than large business (Burgess, 1992). If we are to see the relative growth in small business employment then we can also expect an increase in the proportion of non standard workers.

8 Implications and Discussion

Current information would suggest that the Australian labour market by 2000 will exhibit the following characteristics: an unemployment rate of at least eight per cent and a non-standard employment approaching 50 per cent of employment. Indeed, into the next century non-standard employment forms will become standard employment. Structural change in the economy as extrapolated by the DEET (1991) study suggests that there will be more well paid professionals and para-professionals in the workforce. There is likely to be a continuation of the growth in relative female employment and in the formal educational qualifications of the workforce. For those in work there are three areas of concern for social policy.

First, of those in non-standard employment, many will be employed under conditions offering few non-wage entitlements. Those in self-employment and casual employment will be outside of those entitlements that are part of current social policy initiatives - such as access to career training. This can also be the case for those employed within the small business sector.

Second, employment will no longer generate a minimum acceptable standard of living. Those employed under less than full-time conditions will come to depend on second jobs, family support or community support in order to achieve minimum acceptable living standards. In addition, those in full-time employment face the prospect of also seeking additional support in order to augment insufficient labour income.

Third, growing disparities or inequality are likely to emerge as a consequence of these workforce developments. *Workforce 2000* (BCA, 1992) discusses the likelihood of large firms having a core and a peripheral workforce. In this context the gains from downsizing and numeric flexibility will be distributed across the core workers. A growing peripheral workforce in combination with enterprise bargaining is most likely to generate a greater dispersion of income across the workforce.

The above developments pose new challenges for policy and suggest a number of ironies. At a time in which participation in education is increasing it is ironic that a large number of workers will find themselves in insecure and low paid jobs. Full-time permanent waged work will no longer be the norm nor will it be the exclusive domain of males. The relationship between work and income, and work and family structures will have to be reassessed. By the turn of the century there will be a large number of workers with multiple job holdings: generating a 'living' income for the household will require multiple job holdings per household and multiple job holdings for individuals. The irony is (Freeland, 1993) that the next century increasingly appears to be one in which both labour force participation rates will increase and employment to population ratios increase despite low growth rates and high unemployment rates. In turn this raises major challenges for social and incomes policy.

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Temporal Dimensions of Youth Homelessness

Chris Chamberlain
Sociology
Monash University
David MacKenzie
Community Research and Computing
Royal Melbourne Institute of Technology

1 Introduction

This paper identifies three temporal images of the homeless youth population. The dominant media typification is of an 'underclass' with chronic problems. A dissident image contends that most young people experience only short periods of homelessness, and that there is an 'high turnover' population. A third account suggests that there are both 'short-term' and 'chronically' homeless people, but few individuals in-between. It is a 'polarised' image of the population. This paper draws on information from a sample of 1,410 homeless young people to assess these accounts. The main finding of the study is that none of the public typifications is accurate. Rather, the homeless population is characterised by temporal diversity. The basis for belief in the 'underclass' and 'high turnover' images is explained, and various policy issues are discussed.

2 Temporal Images of the Homeless Population¹

In the American and British literature, a number of researchers have argued that there is a high level of turnover in the homeless population, and that 'many, perhaps most, of the homeless are so for a limited period of time, or they are homeless on an occasional or episodic basis' (Peroff, 1987: 44; Robertson, 1991: 37; Brandon, Wells, Francis and Ramsay, 1980, Ch.8). In Australia, Murphy (1990) contends that:

Most runaways leave home with no real intention of staying away permanently. They find shelter with relatives or with friends ... Most return home very quickly, the majority within a

¹ The case material used in this paper is based on real individuals. However, names, dates, and some biographical details have been changed in order to conceal their identities.

week ... Permanent runaways ... are the small minority - the ones who make the headlines. (Murphy, 1990)

Crisp (1990: 50) puts it more forcefully: 'Much has been written about street kids. Their stories are often tragic ... but many are wildly exaggerated for the benefit of the media'. Similarly, Crago argues that:

Homeless young people are high on the media agenda at present ... Yet the quality of the media and community debate has been poor ... First, we must explode some common myths ... Some of the kids are 'homeless' one week, back with families the next. Many may be staying temporarily with friends after walking out of the family home ... Experienced workers agree that the number of 'hardcore' street kids is much smaller than the shifting group of 'temporary homeless'. (Crago, 1991a: 26-7)

This argument will be called the **high turnover** image of the homeless population, because it contends that most young people experience short periods of homelessness. In our experience, the high turnover image has a significant constituency in the general community, but it is not the dominant image in the mass media.

Popular media images typically focus on young people in very difficult circumstances: 'Stephen has lived a transient life since he was seven - in and out of foster homes and youth refuges' (*Age*, 19 November, 1991); 'Brett, homeless since he was 14, used to swallow 30 sedatives a day ...' (*Age*, 17 June, 1991); 'Kim is 21 ... For six years the streets of inner Melbourne have been her home' (*Weekend Australian*, May 11-12, 1991); 'Kelly, 17 ... has been on the street since she was 10' (*Sunday Sun*, May 20, 1990). These accounts imply that young people often experience 'years of homelessness', although the message is conveyed by vivid examples, rather than explicit statements or relevant statistical material. Such images will collectively be referred to as the **underclass** account of the homeless population, since they imply that most homeless young people have 'chronic' problems. This is the dominant media typification:

Simon ... has been on the streets for 2 1/2 years ... Street kids who spoke to *The Weekend Australian* this week said they, too, fitted into the seamy social underclass ... (*Weekend Australian*, February 27-8, 1993)

A third source of public imagery about the homeless population comes from the influential report of the Human Rights and Equal Opportunity Commission (HREOC, 1989), *Our Homeless Children* (the Burdekin Report). It identifies three temporal categories. First, there are people who are 'temporarily detached' from their families. They usually leave home after a domestic upheaval, but return after a 'cooling off' period. They are homeless for 'quite short periods' (HREOC, 1989: 43). Second, there are those who leave home, but who only require temporary

assistance. After a period of homelessness, they move on to an independent living situation, perhaps with a partner or a group of friends. They also have a short-term problem. The third group are the 'chronically' homeless. The Burdekin Report does not formally define this category, but it uses examples (HREOC, 1989: 44) which imply that it is operationally defined as one year or longer. The Report is essentially an account of a polarised population, because there are those who are 'short-term' homeless and those who are 'chronically' homeless, but not a significant number in-between. In a sense, it is an amalgam of the high turnover image and underclass image.

The Burdekin Report (HREOC, 1989: 43) notes that it is not possible to establish the proportion of the homeless population in each of the groups. However, the chapter on 'The Experience of Homelessness' (HREOC, 1989: 43-64) quotes many examples of young people who appear to have 'chronic' problems. Although the Report is agnostic about the size of the different groups, there is a sub-text which conveys the impression that the long-term homeless are the largest group:

We are finding ... that some of these young people [who] were at [the refuge] when they were 13 or 14 ... are now coming back at 18 and 19. (HREOC, 1989: 44)

From the age of 12, I used to eat out of rubbish bins, sleep in clothing bins or I used to go to the Salvation Army, St Vincent de Paul, Daughters of Charity and Second Storey to get something to eat. (HREOC, 1989: 45)

A Salvation Army representative ... told the Inquiry of a 15 year old girl ... who spent two years living in women's toilets ... She had spent some nights ... in the company of girls of 12 and 13. (HREOC, 1989: 46)

It is important to stress that not all the examples are of this character, but the chapter conveys the impression that the 'chronically' homeless are the largest group:

... it appears likely ... that large numbers of homeless children will not make a successful transition to stable and independent living situations as adults. Many will ... make the transition to adult homelessness. (HREOC, 1989: 58)

Thus, the Burdekin Report has been an important source of the popular image that many young people are chronically homeless, even though the formal text does not endorse this position.

The images of the youth homeless population that have been outlined are the **high turnover** image (most people have short-term problems), the **underclass** account (most people are chronically homeless), and the **polarised** image (the 'official' Burdekin position). In order to evaluate these contending accounts, this paper utilises evidence from the second stage of a large study of homeless young people in

Melbourne during 1990 and 1991.² The second stage of the project includes information on 1,410 homeless young people aged 12 to 24.³ Young people were defined as homeless using a model based on 'shared community standards embodied in current housing practices' (Chamberlain and MacKenzie, 1992). The approach identifies three segments in the homeless population:

- People living permanently in single rooms in private boarding houses - without their own bathroom, kitchen or security of tenure.
- People moving between various forms of temporary shelter including friends, relatives, youth refuges, night shelters, boarding houses, hostels and other forms of emergency accommodation.
- People without conventional accommodation (living on the streets, in deserted buildings, railway carriages, under bridges etc).

The temporal categories used to code the data were: 1-7 days, 8-14 days, 15-28 days, 1-2 months, 3-5 months, 6-8 months, 9-11 months, and 12 months or longer. However, in order to create meaningful temporal concepts, empirical categories have to be examined theoretically. Previous studies have varied widely in how they order temporal categories. Rossi (1989: 94) defines a short period of homelessness as up to three months, whereas Stefl (1987) and Roth and Bean (1986) comment that up to twelve months seems 'a relatively short-lived' experience (Stefl, 1987: 49). Such judgments appear to reflect different common sense assumptions, but they lack theoretical justification. The first task is to theorise temporal concepts.

3 Theorising Temporal Concepts

Our approach loosely follows phenomenological, ethnomethodological and symbolic interactionist theoretical traditions in sociology (Schutz, 1976; Garfinkel, 1984; Mead, 1934; Weigart, 1981). These contend that sociological concepts should reflect people's subjectively constructed understandings of everyday life. Using this broad principle, we have attempted to ground our temporal concepts in the lived

2 The information was collected at two agencies. The main project was an information and referral service for homeless young people known as The Information Deli. It is located in a former delicatessen, close to the entrance to Flinders Street Station. Data was collected at the agency from December 1989 until December 1991. During this time 2,994 individuals used the service (they came in about 17,000 times), and we have information on 1,231 young men and 627 young women aged 12 to 24 who were homeless, as well information on 477 older homeless people. The other project was a youth information service located in a large shopping centre in suburban Melbourne. Data was collected there for 12 months from October 1990 to September 1991. During this time 925 young people used the agency (they came about 4,000 times), and there were 145 young men and 80 young women who were homeless. In total, there are 2,083 homeless young people aged 12 to 24 in the sample.

3 The 'second stage' relates to the data collection at the suburban agency and the second year of the research at The Information Deli.

experience of homeless young people. The core concept in our analysis is the notion of a 'time track' (Lyman and Scott, 1989, Ch.3).

A 'time track' is an analytical construct which conceptualises how temporal periods are ordered by individuals or groups, so as to designate the beginning and end of temporal sequences:

Time tracks are products of cultural definition; they conceive of life as divided into temporally specific, qualitatively different event activities. Some of these time tracks are institutionalised so that knowledge of them is part of any socialised individual's taken-for-granted world. (Lyman and Scott, 1989: 49)

A 'time track' is a temporal sequence during which an actor has a social identity that is individually, as well as culturally, recognised. In marriage, an individual travels a time track as either 'husband' or 'wife', until either their partner's death or the breakdown of the marriage. The beginning of the time track is denoted by the marriage ceremony, and the social recognition of the termination is signified by the funeral service or the divorce settlement. According to Lyman and Scott, people experience life as a complex network of time tracks, because 'social and cultural conventions carve out time segments from the raw, existential world' (1989: 35). We would add that this is so, even when the cultural signs denoting the beginning and ending of the time track are recognised by participants in a sub-culture, but not appreciated by the wider community. This is the case with homelessness, where the time track lies outside the experience of most people.

In order to understand what is a 'long' or 'short' period of homelessness for someone, it is necessary to comprehend how that time track measures the flow of time (Lyman and Scott, 1989: 49-50). The flow of time can be assessed if we distinguish between 'clock time' and 'biographical time'.⁴ Clock time is an objective, socially constructed measure of the flow of time, whereas biographical time records how time is subjectively experienced during a given period of clock time. Two examples will illustrate what we mean.

A man aged 44 who has worked in the same job for 10 years, caught the same train each morning, and been married to the same person for 20 years, is on a time track that is moving slowly in biographical time. If he is asked to think about his life twelve months in the future, he may well expect to be in the same job, married to the same person, living in the same house, and so on. If he were asked to think about, 'What is a short period of homelessness?', he might reply, 'three months', because **three months is a short period of time in his life.**

4 This distinction is loosely based on Strauss (1987: 200-201). Sorokin and Merton (1937) use the terms 'social' time and 'astronomical' time to make a similar distinction.

In contrast, 90 days and nights may seem an 'eternity' to a teenager who has just become homeless, is unemployed, has little money, and is unsure where he or she will sleep each night. Homeless young people often have an experiential roller-coaster ride during their first few weeks of homelessness. They are on a time track where biographical time moves rapidly.

If young people who become homeless are to survive, they must learn basic 'street skills', such as how to acquire money, protect themselves from violence, work the welfare system, and locate places to stay. For most, it is a choice between a reconciliation with parents, or a move into the street 'community'. Here they can learn basic survival skills from older members, and acquire a new network of friends and acquaintances. As Visano puts it:

Early difficulties on the street, especially in reference to securing food and shelter, contribute ... to involvements with more seasoned kids who are willing to offer support ... street relations are seen as a solution to survival problems for newcomers. (Visano, 1990: 151)

In what might appear to be a short period of clock time to our middle-aged man, young people can experience biographical changes that are of considerable significance. It will help to examine an example to illustrate this process.

Micky Sharpe is 16. He came to the city agency for the first time on 3 March 1991. A staff member recorded details:

Kicked out of home by mother after a very big argument. According to Mick, she started throwing things and called the police. Mick ran out. Apparently, the family often argues like this. He's run away before.

He was found one night's emergency accommodation in a refuge and told to come back the next day:

Rang Mick's father to see if he could stay there. Not on. Dad apparently has no room and also very angry about paying maintenance and various other things. Overnight at St Kilda Refuge. Will come in tomorrow to speak to Geoff about long-term accommodation options.

He returned on 7 March:

Mick has stopped going to school. He feels that he can't handle it ...

The contact sheet for 12 March records:

Tried to speak with Mick about his accommodation situation, but it seems he's quickly become part of 'the scene', which is a

bit sad. He's a nice kid ... and has just been rejected by his family. Says he'll stay at a mate's place tonight.

He returned on 18 March:

Wanted food. Has been on the street for the last four nights. Attempted to discuss issues with Mick. Not interested. Left without a food parcel.

Our field notes for 22 March record:

Mick is surrounded by five burly policemen in Flinders Street. He is being unusually restrained. 'I told you I don't live anywhere'. The policeman repeats the question. Mick's voice is getting louder, a hint of exasperation. 'I just told you. No fixed address'.

Mick has entered a time track where the biographical changes in his life have led to the transformation of his personal identity. He left home on 2 March, but three weeks later he is a person with 'no fixed address'.

Three temporal concepts can now be identified. First, there is the notion of the **permanent break** which denotes a transformation of personal identity. If young people are out of home for three to four weeks, this usually signifies a major rift with their family, and they have entered a time track in which biographical time moves quickly. Our operational definition of this threshold will be 30 days. For most teenagers, four weeks of homelessness means fundamental changes in their lives and their sense of self-identity. This is experienced by young people as a 'long' period of time, because so much is happening to them.

The second temporal concept is **short-term homelessness**. This refers to situations where young people leave home for at least one night, but the time track is terminated before they experience any significant changes to personal identity. Family reconciliations usually occur within a few days of people leaving home, because parents who want children to return normally calm down quickly once they realise that the young person has left, and they compromise to enable reconciliation:

Simon Potter, aged 15. Sue (his mother) rang. Simon left home yesterday after a family argument ... Mum said it got blown out of all proportion ... She is very worried. Get him to ring her if he comes in.

Similarly, young people who want to return home usually make this decision quickly once they confront the reality of homelessness. Our operational definition of short-term homelessness will be from one to fourteen days. It is similar to the definition suggested by Murphy (1990), and generally accords with the group often referred to as 'runaways'.

There are, of course, cases of young people known to have experienced homelessness for 15 to 28 days. A minority of young people in this group will probably return home, others will move on to have a long-term problem, and some will achieve independent accommodation. If young people exit from this category to return home, the social rituals which mark their return are usually different from the rituals which mark the return of someone who has been homeless for a few days. In the latter case, there is likely to be an emotional reaffirmation of family bonds: 'we were so worried about you', 'we love you very much', 'I love you too, Mum/Dad'. When someone has been out of home for two or three weeks, their return is likely to be marked by more pragmatic responses. The difference reflects the fact that an extra 10 to 15 days is a long period of biographical time for both parents and young people in these circumstances. These young people are best thought of as 'at risk of a permanent break' from home and family.

The third temporal concept is **chronic homelessness**. This denotes the adaption of young people into a sub-culture where homelessness has become a 'way of life' (Becker, 1963: 24). The process of becoming part of this sub-culture can usefully be thought of as a 'career', or a sequence of transitions from one stage of the process to another (Becker, 1963: 24). It is not a pre-determined treadmill of events, but a process characterised by contingency. There are many factors which influence the process, and there is wide variation in the time that it takes young people to become chronically homeless. Some young people are homeless for a number of months, but they are then able to move on to secure accommodation, usually with assistance from friends or welfare agencies. Others do not return to conventional accommodation, and they become enmeshed in a sub-culture where homelessness is a way of life. Two examples will illustrate some features of this lifestyle.

Nick Williams is 20 and he came to the city agency on and off throughout November and December 1990. During this time he stayed at various friends' places, spent a few nights on the streets, stayed in a squat, spent a night in the lock-up, and used an emergency shelter for homeless men. The contact record for 26 December notes:

Nicky came in to read the paper and have a bit of a chat. Says he might stick around and go to court, rather than take off. Needed accommodation. He managed to organise himself a night at Jacko's.

He came in again on 7 January:

Very drunk and abusive. Was supposed to come in and talk about accommodation, because his unemployment benefit was due today. Too out of it to have a conversation.

He came in again on 16 January:

Nicky advised by police to leave the city or he'll be locked up. Nick has nowhere to sleep and requested a voucher to the Gill (dormitory accommodation for homeless men). 1 x Gill \$9.

A few weeks later a staff member recorded the following notes:

What are we going to do about this guy? The last three times I've seen him he's been drunk and aggressive. Be warned! Somebody is going to get hurt. In my opinion he's out of our league. He's too entrenched in the criminal culture.

Despite this, Nick was beginning to build a relationship with Geoff:

Had a bit of a chat. tonight. Nick opened up about a few things. I told him to drop in tomorrow.

Towards the end of February Nick met Carol Kennedy and they rented a room in a cheap boarding house. They moved a number of times during the next few months, mainly staying in boarding houses and temporary accommodation. On 20 April Geoff recorded that:

Nick asked me to come to court with him next Friday. Apparently, it's from then that he starts his jail term.

Nick was sentenced to 'three months'.

Young people who are chronically homeless have become part of a sub-culture which rejects many conventional values.⁵ The process of building rapport with them takes time, and it often begins with talk about practical matters. It is also important to understand that these young people usually have a range of issues to deal with, and this is also time consuming.

Tracey Wheeler is 17. She has never had a full-time job, and in March 1991 she had been homeless for about a year. The case notes for 30 March record:

About 10.45 pm we heard a commotion outside the front door. Next we heard banging and people shoving. Smash! There goes the display cabinet window again. A very angry and upset Tracey Wheeler had just put her head through the glass, in response to a very aggressive Tony Parker offering to put her head through the glass for her. We brought Tracey inside. She was distraught ... Tony had obviously wound her up beautifully.

Two weeks later, a staff member wrote:

5 In two recent papers, Gordon Tait (1992 and 1993) has argued that 'homeless youths do not have a "culture"' (1992: 16). Tait reports no fieldwork, but in the first article he refers to one empirical study: Wilson and Arnold, 1986. In the second paper he refers to two: Wilson and Arnold, 1986 and Burdekin (HREOC), 1989. Tait arrives at his empirical conclusions on the basis of a predominantly theoretical discussion of Foucault. This is a novel way to understand the lives of disadvantaged young Australians in the 1990s. For a perceptive account of the sub-culture of chronically homeless young people see Costello (1991).

Tracey got to the point of completely losing it tonight. Going over much 'old' ground: hurt/rejection by her mother, her friends etc. Had a fist fight with Paul (her younger brother) in The Deli ... screaming, shouting ... Big Hurt. We closed for 1/2 hour to give her a bit of space.

The Burdekin Report refers to people who are homeless for more than a year as 'chronically homeless', and we will adopt this convention. Twelve months does not denote a symbolic point for young people in the way that the 'permanent break' from home does, nor do young people recognise 'one year' of homelessness in the way that birthdays or other anniversaries are celebrated. The notion that 12 months denotes chronic homelessness uses a widely accepted category of 'clock time' (the anniversary) to draw public attention to a marginalised section of the community.

These temporal concepts - short-term homelessness, the permanent break and chronic homelessness - are the main categories used in the analysis which follows.

4 The 'Point in Time' Dilemma

Table 1 shows that it was possible to make a judgment about the length of homelessness experienced by just over 90 per cent of the young people at both agencies. This assessment was made when the person contacted the agency for the final time. It is not necessarily when their period of homelessness ended, although we know that 13 per cent had returned to secure accommodation. Some probably went to other services for assistance and some were probably itinerant. This means that our data must underestimate in some cases, although it is difficult to assess by how much. This problem will be called the 'point in time' dilemma. It denotes the fact that studies which attempt to assess people's length of homelessness at a particular point in time, do not necessarily record the total length of homelessness that they experience.⁶

There is another side to the 'point in time' dilemma. If one counts the homeless population at a particular point in time, rather than over a 12 month period, it affects the proportion of the population who will be categorised in different temporal categories. This can be demonstrated by an example. If 500 people are homeless for one week in a given year and 10 people are homeless for 12 months, then over the year the short-term homeless outnumber the chronically homeless by 50 to 1. However, a census profile will reveal a different picture: on average, there will be 10 people who are chronically homeless on census night ($10 \times 365/365 = 10$) and 10 people who have a short-term problem ($500 \times 7/365 = 10$). A 'point in time' count reveals that the chronically homeless are 50 per cent of the population, even though

⁶ These issues are also complicated by the fact that some young people experience periods of homelessness at different times, and these are difficult to measure. See Neil and Fopp (1992: 8-9) and Wright (1989: 72-5) for a discussion of 'episodic' homelessness.

Table 1: Information on Duration of Homelessness by Agency

| | Suburban Agency (N=225) (%) | Inner City Agency (N=1,185) (%) | All Homeless Youth (N=1,410) (%) |
|-----------------------------------|-----------------------------------|---------------------------------------|--|
| Information on duration available | 95 | 92 | 93 |
| Not available | 5 | 8 | 7 |
| | 100 | 100 | 100 |

the short-termers outnumber them by 50 to 1 over a 12 month period. In terms of answering the question, 'What is a typical period of homelessness?', it is obvious that the answer in this case is 'short-term', but this only becomes apparent if the data is examined on an annual basis.⁷

Information for this study was gathered over a 12 month period, and the analysis will focus primarily on the data viewed in this way. However, for certain purposes it can be useful to look at the findings from a 'point in time' perspective, and this will be covered in the final section of the paper.

5 Duration of Youth Homelessness

The arguments that have been outlined so far are summarised in Figure 1. There are three temporal images of the homeless population. First, the high turnover image contends that most homeless young people have a short-term problem. 'Short-term' has been operationally defined as one to fourteen days. Second, the underclass image contends that most homeless young people have a chronic problem. This has been operationally defined as one year or longer. Third, the official Burdekin account combines both typifications to suggest a polarised population. Our initial analysis will focus on the high turnover image.

If the high turnover image is correct, we would expect to find that a majority of young people are homeless for less than 15 days, and that only a minority are homeless for more than a month. Table 2 compares the length of homelessness experienced by young men and women in different age groups. It can be seen that 24 per cent of the sample were recorded as homeless for up to 14 days; 8 per cent were homeless from 15 to 28 days; and 68 per cent were homeless for a month or

7 This point is rarely acknowledged in the literature. It is discussed in Freeman and Hall (1987: 14), but it has not been recognised in the Australian research (Hirst 1989: 38; O'Connor, 1989: 14; HREOC, 1989, Ch.5).

Figure 1: Main Structure of the Argument about Typifications

| Temporal Image | Main Prediction | Operational Definition of Temporal Categories |
|--------------------------|---|---|
| High Turnover Population | Most young people have a short-term problem | Short-term: 1-14 days |
| Underclass of Homeless | Most are chronically homeless | Chronic homelessness: one year or longer |
| Polarised Population | People in both categories (numbers unknown) | Combination of the above |

Table 2: Duration of Homelessness by Age Group and Gender

| | Age 12-17 years | | Age 18-24 years | | All (N=1,308) % |
|-------------------|----------------------|------------------------|----------------------|------------------------|-----------------------|
| | Male (N=379) % | Female (N=279) % | Male (N=480) % | Female (N=170) % | |
| 1-14 days | 25 | 26 | 22 | 27 | 24 |
| 15-28 days | 10 | 8 | 7 | 6 | 8 |
| 1 month or longer | 65 | 66 | 71 | 67 | 68 |
| | 100 | 100 | 100 | 100 | 100 |

longer. It is also apparent that there are not marked differences between males and females, or between people in different age groups. At face value, this refutes the high turnover image of the homeless population. However, there are two additional issues which need to be considered. First, is the sample typical of the broader homeless population? Second, what happens to those who are recorded as homeless for more than a month?

The question of whether the sample is typical of the broader homeless population raises difficult issues. In order to be able to generalise from a survey, it is necessary to have a representative sample of the population (Judd, Smith and Kidder, 1991, Ch.6). The best procedure is to have a list of all persons in the population, and then to randomly select the required number of people to take part in the survey. Unfortunately, it is not possible to apply these procedures to select samples of homeless youth, because there are no lists of all persons in the population.⁸ In a

⁸ In the United States, a number of researchers have attempted to draw 'random' samples of the homeless population using alternative procedures. Some of the issues raised by this are

strictly technical sense, then, it is not possible to generalise from this sample to the population, but since it is unrealistic to expect a random sample of homeless youth, then it seems unreasonable to apply this criterion. Consequently, our approach involves an estimate based on the best available evidence.

In our view it seems likely that the data gathered at the city agency (N=1,094) is probably typical of young people who gravitate to the central city. However, young homeless people in suburban areas are under-represented, because data was collected at only one agency, and the number is considerably smaller (N=214). If data had been collected at a number of suburban services, as well as in some country areas, the sample would probably be more typical of the overall population. This does not matter, provided that the number of young people identified in different temporal categories is similar at the two agencies. But if the figures are different, then it will be necessary to take into account that some segments of the population are under-represented.

Table 3 shows that one-third (35%) of those using the suburban agency were homeless for less than 15 days, compared with just over one-fifth (22%) at the city service. The overall figure is 24 per cent, but this is disproportionately influenced by the size of the city sample. It seems likely that if more suburban agencies had been represented in the sample, then the number of people with a short-term problem would have been higher. In addition, if we estimate that approximately half of those who were homeless for 15 to 28 days do manage to return home, it raises the estimate at the suburban agency to 40 per cent and the overall estimate to 28 per cent. On the other hand, it has already been pointed out that the information on duration is probably an underestimate in some cases, because the assessment was made at the time of the person's final contact with the agency, which is not necessarily when their homelessness ended. Our conclusion is cautious. We estimate that 30 per cent to 40 per cent of all young people who become homeless in a given year have a short-term problem. Although this is a substantial minority, the evidence does not confirm the short-term image of youth homelessness.

The second issue that has to be considered is what happens to those young people who are homeless for more than a month. The underclass image of the homeless population and the official Burdekin account predict that most of them will be chronically homeless. This was defined as 12 months or longer, and the official Burdekin account sketched a broadly polarised image of the homeless population with relatively small numbers in-between the two main categories.

Table 4 shows that the data does not closely fit any of the images of the homeless population that have been outlined. Most young people do not experience chronic homelessness (as the underclass model contends); nor are there two broadly

discussed in Rossi, Fisher and Willis (1986), Burnham and Koegel (1988), Applebaum (1990), Burt and Cohen (1990), and Neil and Fopp (1992).

Table 3: Duration of Homelessness by Agency

| | Suburban Agency (N=214) % | Inner City Agency (N=1,094) % | All Homeless Youth (N=1,308) % |
|-------------------|---------------------------------|-------------------------------------|--------------------------------------|
| 1-14 days | 35 | 22 | 24 |
| 15-28 days | 11 | 8 | 8 |
| 1 month or longer | 54 | 70 | 68 |
| | 100 | 100 | 100 |

Table 4: Duration of Homelessness Showing Data in Both Empirical and Theoretical Categories

| | Suburban Agency (N=214) % | Inner City Agency (N=1,094) % | |
|----------------|---------------------------------|-------------------------------------|---|
| 1-14 days | 35 | 22 | short-term |
| 15-28 days | 11 | 8 | |
| 1-2 months | 15 | 15 | permanent break |
| 3-5 months | 19 | 18 | |
| 6-8 months | 6 | 10 | long-term (some months of homelessness) |
| 9-11 months | 3 | 3 | |
| 1 year or more | 11 | 24 | chronic |
| | 100 | 100 | |

polarised categories in the homeless population (the official Burdekin account); nor are most people homeless for a short period of time (the high turnover image). Rather, the homeless youth population is characterised by temporal diversity.

Three points about these findings need to be emphasised. First, it has already been pointed out that a significant minority of those who become homeless have a temporary problem (30% to 40%). Most of these young people return home quickly,

the majority within a few days. When young people have been out of home for 15 to 28 days, there is a serious risk that they will make a permanent break with their family. We have estimated that half of this group do get back home, but it is probable that most of the others move on to more than four weeks of homelessness.

Second, Table 4 reveals that there are significant numbers in the three categories after the permanent break (1 to 2 months, 3 to 5 months, and 6 to 8 months). However, the number drops sharply in the category nine to 11 months. It is probable that these young people will become chronically homeless. Most of those who are recorded in the categories one to two months, three to five months and six to eight months are young people who experience some months of homelessness, but in the main they 'exit' before moving on to chronic homelessness. This would explain the sharp decline in the number in the nine to 11 months category. In our terminology, those who are homeless for more than a month, but less than a year, have a **long-term** problem which is typically characterised by some months of homelessness. However, at an operational level, it makes sense to count people as chronically homeless from about nine months onwards.

Third, Table 4 indicates that the main differences between the two agencies are at the extremes of the distribution. It appears that 40 per cent of the clients at the suburban service have a short-term problem compared with 26 per cent at the city agency. At the opposite extreme, 14 per cent of the suburban service users appear to be chronically homeless compared with 27 per cent in the city. The numbers in the various categories identified as long-term are distributed similarly at the two services, and overall between 45 per cent and 50 per cent appear to be long-term at both agencies.

An overall judgment about the numbers in different temporal categories has to take into account not only that the suburban service may be more typical of the broader community, but also that our method of collecting information underestimates the length of homelessness experienced by some people. On balance we estimate that between 30 per cent and 40 per cent of the annual population have a short-term problem (less than two weeks); that between 40 per cent and 50 per cent are long-term (some months of homelessness); and that between 15 per cent and 25 per cent are chronically homeless (more than one year). Our preferred estimate is 35 per cent short-term, 45 per cent long-term and 20 per cent chronically homeless, but some variation around these figures is obviously possible.

Our overall conclusion so far is that neither the high turnover image of the homeless population, nor the underclass model, nor the official Burdekin account, is an accurate representation of the temporal characteristics of the homeless population. The homeless youth population is characterised by temporal **diversity**.

6 Explanations and Implications

If the images that we have examined are inaccurate representations of the homeless youth population, how do we explain the persistence of two major public

typifications, and what are the policy implications of these findings? The key to understanding the origin of the underclass image is to examine the data from a 'point in time' perspective. This is discussed first.

6.1 The Underclass Image

It was pointed out earlier that it is preferable to think about the temporal characteristics of the homeless population on an annual basis, because a 'point in time' count underestimates the proportion of the homeless population who have a short-term problem, and our purpose is to include all persons who experience homelessness. Nonetheless, if an assessment is needed of the number of young people who use services on a particular day, then a 'point in time' analysis is the appropriate profile.

In order to use our data set to estimate the numbers at a point in time, it is necessary to make operational assumptions about the average length of homelessness experienced by people in different temporal categories. For youth recorded as homeless from one to 14 days, the assumption will be that their homelessness lasted for seven days; for those recorded as 15 to 28 days, the assumption will be that it lasted 21 days; for those recorded as one to two months, it will be 45 days; for three to five months, it will be 120 days; and so on. The proportions recorded in various temporal categories can then be used to estimate the number of persons who have a short-term or a long-term problem on 'census night'. The procedure for this calculation is shown in Table 5. It uses the data for the total sample to carry out the analysis.

Table 5 estimates that on census night one per cent of the population will have been homeless for up to 14 days, another one per cent will have been homeless for 15 to 28 days, 34 per cent will have been homeless for between one and eight months, and 64 per cent will have a chronic problem. However, it has already been pointed out that the total sample may not be typical of the broader population, and it may be better to use the information gathered at the suburban agency to make the calculation. This is shown in Table 6.

Table 6 indicates that on census night about one in 30 (3%) of the homeless have a short-term problem, roughly two-fifths (43%) have a long-term problem, and about half (52%) of the young people are chronically homeless. It makes only a modest difference when one changes the assumptions, because those who are chronically homeless always have a disproportionate weight in the calculation.

We can now explain the prevalence of the underclass account in the mass media, and its widespread acceptance by youth workers. On any average night, most of the homeless population will have either a long-term or a chronic problem. These young people are more well known to welfare workers than the short-term homeless, and they also make more demands on services. They are the cases of homelessness who are offered to journalists looking for stories, and they are the individuals whom the

Table 5: The Use of Annual Data (Total Sample) to Estimate the Composition of the Homeless Population on Census Night

| Duration of homelessness | N | Estimated number of days homeless | N by number of days | % of population on census night |
|--------------------------|-------|-----------------------------------|---------------------|---------------------------------|
| 1-14 days | 319 | 7 | 2,233 | 1 |
| 15-28 days | 106 | 21 | 2,266 | 1 |
| 1-2 months | 191 | 45 | 8,595 | 5 |
| 3-5 months | 239 | 120 | 28,680 | 16 |
| 6-8 months | 126 | 180 | 22,680 | 13 |
| 9-11 months | 39 | 270 | 10,530 | 6 |
| 1 year or longer | 288 | 365 | 105,120 | 58 |
| | 1,308 | | 180,064 | 100 |

Table 6: The Use of Annual Data (Suburban Sample) to Estimate the Composition of the Homeless Population on Census Night

| Duration of homelessness | N | Estimated number of days homeless | N by number of days | % of population on census night |
|--------------------------|-----|-----------------------------------|---------------------|---------------------------------|
| 1-14 days | 74 | 7 | 518 | 3 |
| 15-28 days | 24 | 21 | 504 | 2 |
| 1-2 months | 33 | 45 | 1,485 | 7 |
| 3-5 months | 41 | 120 | 4,920 | 25 |
| 6-8 months | 12 | 180 | 2,160 | 11 |
| 9-11 months | 6 | 270 | 1,620 | 8 |
| 1 year or longer | 24 | 365 | 8,760 | 44 |
| | 214 | | 19,967 | 100 |

media are most likely to encounter in any cursory foray into the streets in search of homeless youth. Representatives from the welfare sector also gave evidence to the Burdekin Inquiry which reflected the fact that on a daily basis they are dealing mainly with young people who have either long-term or chronic problems.

The Burdekin Commissioners faced a dilemma. They recognised the message coming from the field, but they had no reliable information on how many young Australians were in different temporal categories of the homeless population. Most witnesses quoted cases (not statistics), and the main research for the Inquiry was by O'Connor (1989) who did not provide convincing evidence on duration, nor did his report draw attention to the fact that there are two ways of assessing the temporal dimensions of homelessness (at a point in time or on an annual basis).

The Commissioners compromised by accepting two contradictory positions. On the one hand, they stated that it was not known how many young people were in the different temporal categories, but they produced a text which has been widely interpreted to show the existence of an underclass of homeless youth with chronic problems. Their discussion was suggestive of a more complex profile, but it missed certain important points which can now be clarified.

In any given year, there is a substantial number of young people who become homeless for a short period of time. They comprise between 30 per cent and 40 per cent of all young people who experience homelessness during a 12 month period, but on a typical night they are no more than five per cent of the population. Another 40 per cent to 50 per cent of the annual population have a long-term problem, but they 'exit' from homelessness after some months. Finally, there are the chronically homeless. They are about 20 per cent of the annual population, but on any given day they are between 55 per cent and 60 per cent of all homeless young people. If there are 15,000 to 19,000 homeless persons aged 12 to 24 in Australia on a typical night (MacKenzie and Chamberlain, 1992), then there are probably between 8,000 and 11,000 chronically homeless young people. It is this group who dominate services and influence the thinking of many youth workers.

6.2 The High Turnover Image

There are relatively few public advocates of the high turnover image, but in our experience it has a constituency in the general community. The first part of our analysis will focus on why some people believe this account. The second part will consider the argument of Crago (1991a and 1991b), who is a public exponent of the short-term position.

In our judgment, many people are sceptical of media accounts which focus on destitute youth sleeping on the streets. These images are often combined with estimates of 50,000 to 70,000 homeless young people (MacKenzie and Chamberlain, 1992: 14-6), and this creates an expectation of reality which is not confirmed by everyday experience. The homeless youth population is probably between 15,000 and 19,000 (MacKenzie and Chamberlain, 1992: 20-2), but on any given night most

of them find some form of temporary shelter. Only a minority (10% to 15%) are literally 'on the streets'. In this sense, most of the population is hidden. Thus, we suspect that many people draw the conclusion that media reports must exaggerate, and that homeless young people usually have short-term problems.

It is more difficult to explain Crago's position. He is a public exponent of the short-term argument, but he is also the former co-ordinator of the Gold Coast Project for Homeless Youth. Thus, we might expect him to endorse a version of the underclass account.

Although Crago contends that most young people have short-term problems, his discussion focuses on those who are either long-term or chronically homeless. This can be seen if we examine an example:

Transient street kids ... have long since learned to 'play the system' ... They are well aware of what youth workers want to hear, and they produce enough of it to gain them a few nights in (a) refuge ... Since it is impossible at the outset to be sure whether one is aiding a 'genuine' case or a 'user of the system' ... this means that too often youth workers end up ... supporting irresponsibility ... a few good feeds ... a good night's sleep, and our intrepid young rebel is all set to brave out another few weeks of squatting, shoplifting, and 'rolling' strangers when money runs short. (Crago, 1991a: 30-1)

Throughout his discussion, Crago is talking primarily about those who are chronically homeless. Like many youth workers, his thinking is influenced by the group who are the most difficult to work with. But why, then, does he argue that most homeless youth have a short-term problem? The answer to this is not at all clear, but the political nature of much of his discussion appears significant.

Crago is critical of many youth work practices and he argues that youth refuges offer a 'solution which has become part of the problem'.

Take ... ten or more kids, almost all of them ... trained in disruptive, evasive, immature behaviour; put them all together in one place, so that you maximise that they will sustain one another in that behaviour ... Put them in charge of a constantly altering team of temporary parent substitutes, where it is never clear who is the final authority, and in whom emotional security can be found ... Then fund the resulting facility so poorly that it ... will constantly leave its staff feeling ripped off and dissatisfied. Under such circumstances ... the wonder is that it is able to assist any clients at all. (Crago, 1991b: 17)

He argues that the need for change is urgent, and that we now face 'a situation where the money that is being poured into welfare ... might just as well ... be being poured

down a capacious drain' (Crago 1991a: 26). In his view, it is time to develop a more 'tough-minded' analysis:

Given that staff resources are always going to be limited, we need to make informed, insightful decisions as to which runaway youngsters we will offer to help ... the reality is that a proportion of young runaways are neither innocent, nor interested in accepting real help ... Like alcoholics, these people may need to be left alone until such time as they are desperate enough to be motivated to change. Accepting them into welfare services simply because they present and ask for money or a bed is not doing anything rehabilitative for them; it is merely supporting their dysfunctional lifestyle. And it is tying up staff time, money and energy better spent on others. 'But he'll have to sleep on the streets!' will be the cry; perhaps the appropriate answer is: 'so?' (Crago, 1991b: 19-20)

Crago makes a critical distinction between the 'deserving' and the 'undeserving' homeless, and he implies that it is the deserving homeless who mainly have short-term problems. It may well be that ways of working with long-term and chronically homeless young people can be improved, but the 'tough-minded' act of withholding assistance from them hardly seems a constructive and creative advance.⁹ Crago's typification of the homeless population is inaccurate, and his major policy 'initiative' is unnecessarily punitive.

6.3 Policy Implications

Finally, we will comment tentatively on a number of policy implications of the findings. Temporal categories of homelessness are one of the fundamental variables underlying the conception and implementation of support and accommodation services (Neil and Fopp, 1992). One of the reasons why the two main typifications of the homeless population are contested politically is that they imply very different patterns of service provision. If most homeless youth have short-term problems, then it is mainly emergency and short-term accommodation services which are required. On the other hand, if most young people are chronically homeless, then there is a need for more long-term options, as well as a range of other support services.

One implication of the finding that the homeless population is characterised by temporal diversity is that there is a need for a diverse range of accommodation and support services. A range of housing options is provided at present, but it is much easier to gain access to emergency shelter than to find long-term accommodation. However, on any average night, most of the 15,000 to 19,000 homeless youth have

⁹ The distinction between the 'deserving' and 'undeserving' homeless is discussed critically in Wright (1988 and 1989, Ch.4).

either long-term or chronic problems. There is an obvious need to expand long-term accommodation options for these people. Strategically, this could be achieved by moving on two fronts: either by making more low cost housing units available; or by improving the income of young people so that they can afford housing in the private rental market. Unfortunately, successive Federal Governments have resisted improving income support for young people, and publicly funded housing has not been significantly expanded to meet demand. Until one or both of these policies is changed, homeless young people will continue to have limited options.

Another implication of the finding of temporal diversity is that the needs of different 'temporal' groups will vary, as will the strategies for working with them. As we have seen, about 35 per cent of the annual homeless population have a short-term problem, but on any given night they are probably no more than five per cent of the clients at most agencies. Teenagers who have run away following a family crisis may find their way back home without assistance from welfare agencies. However, if they seek assistance, an initial assessment should try to establish how long they have been homeless and the reasons why they left home, with the positive goal of pursuing the possibility of family reconciliation. The course of action taken will always depend on the individual case. If the young person is adamant that he or she cannot (or will not) return home, then their wishes should be respected. However, workers can ask for permission to ring parents to let them know that their son or daughter is safe. Most teenagers will accept this, and if parents want their son or daughter to return, then this provides the initial contact to begin reconciliation:

Emma presented at 5.15pm, very distressed, requesting accommodation. She is 16 and not at all streetwise. She came from Mildura yesterday ... on-going conflict with her mother ... couldn't talk about it without getting really upset ... placed her at Hope Street Refuge ... Emma agreed to let me ring her mother ... The police were there ... Her mother wanted to speak to her, but Emma refused point blank. I don't know what's happened. I just kept repeating to her mother that she is safe, and that I'd get Emma to ring her as soon as she is ready.

The issue of 'reconciliation' is also worth exploring with older youth and those who have been out of home for many months. However, in most cases 'going back home' is not the most realistic prospect. Even if some of these young people do return home, it is likely to be only a temporary solution. When identity has been constructed around an adult lifestyle, which involves living independently of primary family members, it is not readily deconstructed. What these young people want is a life of their own. Family reconciliation in this context should not be narrowly equated with 'going back home', but interpreted in a broader framework of rebuilding family bonds. Many homeless young people have 'unfinished business' with parents or other family members, and in these cases improved kinship relations are likely to be in the long-term interests of the young person.

It is important to understand that our temporal profile of the homeless population is also partly an artefact of the interaction of homeless young people with existing welfare and housing services. As we have seen, a significant proportion of the population (40% to 50%) experience some months of homelessness, and there is a significant minority (20% to 25%) who comprise a new 'skid row' of chronically homeless youth. At any point in time, the opportunities for these young people to move into long-term supported accommodation are limited, because the average stay of persons in this sector is about 6 months, with some clients remaining for up to two years (Department of Planning and Housing, 1991). Access to public housing for young people is also limited. Individuals usually experience extended delays in making the transition into long-term accommodation, and many spend long periods moving in and out of temporary shelter. One implication of the argument that homelessness is a 'career', is that delays of this type increase the likelihood that more people will become entrenched in the homeless sub-culture.

We have discussed some of the problems of chronically homeless youth. Their needs include employment, income, accommodation, counselling and long-term support. We have also pointed out that these young people have become part of a sub-culture which rejects many conventional standards, and they often behave in ways that are either offensive to those who are trying to help them, or difficult to understand when judged by 'middle class' standards.

Nick Williams was released from Pentridge Prison on 27 July. He arrived at The Deli later that afternoon to see Geoff:

Came in very drunk ... carrying a lot of anger about Carol leaving him ... In short, nothing to look forward to and no belief that Nicky will have anything ...

A week later the case notes record:

Nick is back on bail. He got picked up in a stolen car after a high speed chase.

Two days later:

Nicky is getting into lots of shit as usual. Was beaten up by the bouncers at the ____ last night. He says he's going to shoot them in the morning.

Nick went back to prison in November, 1991.

Most chronically homeless young people have been unemployed for more than a year, and they have few skills to offer in a labour market where competition is intense. At the present time, their chances of finding a job are minimal if they do not have a conventional address, and their chances of acquiring an address are not good if they do not have a conventional job. In many cases, they also need support and counselling on a continuing basis, because they have a range of other problems

which have to be solved at the same time. Assisting young people at this stage is not futile, but it is usually time consuming and very demanding on resources. It is grounded in the slow process of building positive relationships with them based on trust. Our earlier criticism of Crago took exception to his suggestion that helping the chronically homeless can be accomplished by deliberate neglect until they become more 'responsible'. However, we agree with Crago that there is scope for improving existing welfare and support services. In our view, early intervention is likely to be more effective than later intervention, and all initiatives which short circuit the 'career' processes towards chronic homelessness are worth considering.

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Home Purchasing Post-deregulation: Delegating Responsibility and Odium

Tony Dalton
Department of Social Work
Royal Melbourne Institute of Technology

1 Introduction

Low start mortgages are an innovation in home loan retailing where nominal repayments can be kept low in the early years of the loan and increase as income increases. They were largely developed by state government housing agencies during the 1980s in the context of declining levels of affordability. A number of state government sponsored home finance agencies providing low start mortgages over the past two years have foreclosed on some home purchasers. These are purchasers who have fallen behind in their repayments of low start loans. Further, there are more facing foreclosure as their payments continue to fall behind. The foreclosures have led to many media stories in national and local newspapers as well as television stories including ones by the Investigators and the 7.30 Report. In general this coverage has placed the blame on State Government housing departments and ministers by portraying them as the designers of flawed schemes, the providers of poor consumer advice, inaccurate in their assessment of the capacity of borrowers to repay or just plain heartless. In NSW the problem was sufficiently great to lead to the Minister of Housing establishing a public inquiry into the operations of that State's scheme, HomeFund (McMurtie, 1992).

This paper argues that the problems of these schemes are not just the result of misjudgment and mismanagement by State Government housing agency officials. The development and operation of these schemes must be placed in the context of the 1980s and the very significant changes that went on in housing and finance markets. These changes largely stemmed from Federal Government policy change, particularly finance market deregulation following the Campbell (Committee of Inquiry into the Australian Financial System, 1981) and Martin (Review Group into the Australian Financial System, 1983) inquiries. Housing policy considerations did not figure prominently in the program of financial deregulation, driven by key Federal Government ministers and by the Treasury. Therefore, the odium of foreclosing on low income home purchasers must also rest with Federal Government ministers and agencies with economic policy responsibilities. In the present controversy the role of the Federal Government as a constitutor and regulator of finance markets and housing markets has been lost sight of.

There is a strong case for the Federal Government to focus much more on the operations of housing markets. The National Housing Strategy has presented evidence of major structural shifts in the operations of housing markets and diminishing access of aspirant purchasers. Moreover, this is likely to worsen as income distribution becomes more unequal because of continuing labour market change. However, in order for this focus to emerge there is a need for a different policy process. The focus is unlikely to be established within the present configuration of agencies.

This paper argues this case by discussing

- the nature of the schemes developed by the states in the context of diminishing housing affordability;
- aspects of Federal Government housing policy over the past decade which have had a direct bearing on purchaser affordability;
- the institutional arrangements at a federal level within which housing policy is produced; and
- key features of State Government housing policies developed in the broader context of Federal Government economic policy.

This then leads to some consideration of the type of policy process that is required which could lead to a greater focus particularly on the operations of the housing market which could lead to more efficient and equitable outcomes.

2 Low Start Mortgage Schemes

Despite technical debates about how affordability should be measured there is broad agreement that there has been a long term decline in housing affordability in Australia until early 1990s. This has stemmed from the combination of three main factors, namely: increases in real house prices especially in Sydney and Melbourne; increases in interest rates for housing finance; and reduction in income growth (National Housing Strategy, 1991). It is in this context that discussion of low start mortgages emerged in the mid-1980s. Other policy pressures were leading to the reduction of direct subsidies going to home purchasers. Fiscal policy, because of balance of payments and inflation constraints, limited government expenditures overall and within the housing policy portfolio the emphasis was on targeting available resources on very low income earners through the public housing system. Large direct subsidies for home purchasers was no longer a policy option. Therefore, the search was on for ways in which aspirant home owners could be assisted into ownership, taking the operations of the housing and finance markets as a given, with only minimal subsidies. Carter (1990), a policy adviser with the Victorian minister for housing, described the situation in these terms:

The challenge was to exploit the positive aspects of deregulation through innovations that did not require major new subsidies to marginal home buyers. Developing the potential of the secondary mortgage market as a vehicle for real-rate funding and promoting the introduction of low-start, inflation adjusted mortgages have been the most significant government-sponsored responses. (Carter, 1990: 174)

It was State Government housing agencies that pursued this search for mortgage instruments where nominal loan repayments could be low in the early years of the loan and increase as income increased. Repayments would be set over the course of the loan so that they did not go beyond a set proportion of the household income of purchasers. This has usually been between 20-27 per cent. In some of the schemes subsidies were provided but were progressively withdrawn in the early years of the loan. Yates and Flood (1989) describe the main types of instruments in the following terms:

- **Escalating interest rate mortgages:** a form of lending where repayments are based on a concessional starting interest rate which increases to the market rate within a specified period.
- **Indexed repayments mortgages:** a form of lending where repayments increase each year in line with an assumed increase in income. In the early part of the loan, where repayments do not meet the interest costs, the deficit is added to the outstanding debt and recouped at the end of the loan.
- **Income geared loans:** a form of lending where repayments are tied solely to increases in income.

Associated with these instruments have been very high loan to valuation ratios. Typically purchasers in most states have been able to borrow up to 95 per cent of the value of the dwelling.

The source of finance for concessional mortgages prior to the 1980s came from budget sources. However, through the 1980s the funds increasingly came from private financial institutions. In NSW and Victoria this was done from the mid-1980s through the establishment of secondary mortgage market institutions. These bodies, First Australian National Mortgage Acceptance Corporation (FANMAC) and National Mortgage Market Corporation Limited (NMMC), were established with a minority government share holding and have supplied funds for low start loans through the issuing of bonds. The type of bonds issued have been of two types namely fixed interest and capital indexed. The quantity of funding raised from the market in this way has been large. In 1990-91 \$1.9b was raised, Australian wide, in private borrowings. It is not possible to give a total figure for the number of loans financed with funds raised from private borrowings because of the different categories of loan types used. However, it can be noted that the states through the various loans programs originated approximately 35,000 loans in 1990-91 (Department of Health Housing and Community Services, 1992: 60).

It is difficult at this juncture to estimate what the overall improvement in the welfare of the borrowers in these schemes has been. There has been no comprehensive evaluation of the outcomes of the schemes. However, there is evidence that for many purchasers there is a greater level of satisfaction with their housing. For example, in NSW, McMurtie (1992: 62) cites a survey indicating that 'given their time over again that 82 per cent of respondents would borrow as they had'. And in Victoria the Home Finance Division (1993: 28) states that the 'HOLS (Home Opportunity Loan) Scheme has been an important program in enabling over 15,500 households to gain access to home ownership'. Further, in an evaluation of the earlier Capital Indexed Loan Scheme (CAPIL) scheme, Wulff (1992: 15), concludes that 'all factors considered, home ownership was financially advantageous for the families'.

It is also clear that there are a proportion of households who have not benefited from their participation in these schemes. Several points need to be noted. First, there is the issue of mortgage arrears and defaults which have received so much attention from the media. In Victoria, the level of arrears in December 1992 in the HOLS Scheme, the largest of the Victorian low start mortgage programs, was four per cent. The level of mortgage foreclosures in the period 1988 to 1992 has been 165 properties. Also, as of December 1988, the 'mortgagee-possession discharges' were 116 (Home Finance Division, 1992:8). In NSW, McMurtie (1992: 66) states a 'significant and increasing minority of active borrowers have not met repayments as originally scheduled'. Here he is referring to the 19.3 per cent of subsidised loans and the 6.8 per cent of low start loans not meeting the original repayment schedule. Second, there is the issue of the level of capital gain accruing to purchasers. The Home Finance Division (1992: 14) makes the point that the purchasers using HOLS funds are no different to all other home purchasers in that they will experience fluctuations in the increase of capital gain. They also make the point that in the present circumstances those with high loan to valuation ratios may experience a situation where the outstanding loan is greater than the value of the property. However, this general account of change in house prices needs to be seen in the context of Melbourne's highly differentiated sub-markets. It should be added that it is more likely that HOLS purchasers are in the cheaper housing sub-markets where the capital gain is less than in the more expensive sub markets.

3 Federal Government Housing Policy

What has been going on at a federal level while the States have been developing low start mortgage schemes? This is an unasked question in the contemporary controversy focusing on the problems of purchasers using low start mortgages. However, it should be asked because it leads to consideration of key aspects of Federal Government housing and related policy which have a direct bearing on the fortunes of low and moderate income home purchasers. First there are the directions that Federal Government policy have taken over the past decade which have exacerbated the difficult conditions faced by low and moderate income home purchasers. This leads to a discussion of a number of key policy developments at a

federal level in the last decade. Although not all of them are defined as housing policy they are classed as such for the purpose of this discussion because of the far reaching effect they have on the housing system.

There are three areas of Federal Government policy development which have directly affected the fortunes of low and moderate income home purchasers over the past decade. They are the First Home Owners Scheme (FHOS); the reduction of owner occupation subsidies provided through the Commonwealth-State Housing Agreement (CSHA); and the deregulation of the finance system against a background of regressive tax policy.

Although FHOS was a program run by the Department of Housing and Construction with the objective of increasing the level of access to owner occupation it was primarily a program agreed to within an economic policy framework. It was the only significant initiative taken from the 1982 Uren housing policy. Implementing FHOS was seen by the economic portfolio ministers as a way of stimulating a depressed housing industry and contributing to the Government's overall objective of quickening the pace of economic growth. It would inject funds into the housing system and increase housing starts and reduce levels of unemployment. By 1984-85 the annual level of funding rose to \$290m and continued at a relatively high level until the 1989-90 budget when it was still \$120m. Subsequently it was scaled down and discontinued as house price inflation, especially in Sydney, made the grant increasingly irrelevant to overall affordability. Exactly what the outcomes were for the housing industry and aspirant first home owners is debated. According to Paris (1990: 310) there is little reason to believe that FHOS has helped to stimulate new construction for first home buyers, or that it has helped people who would otherwise have been able to buy. However, Orchard (1989: 378) interprets the evidence differently and argues the contrary case.

After 1984, subsidies going to low income purchasers through the CSHA were reduced. Until the renegotiation of the CSHA in 1984 State housing authorities put considerable resources into supporting low income purchasers. This was done through concessional sales of public housing as well as the provision of subsidised loans using CSHA capital. However, as the waiting lists for public housing of State housing authorities grew they came under pressure to use their scarce housing funds differently. This became possible as the analyses produced by State Labor Government advisers demonstrated that the expansion of the public rental housing stock provided a more appropriate and ultimately a less expensive form of assistance. Also this type of analysis was supported by non government groups, including Shelter and Councils of Social Service, who had been arguing consistently for growth in the public housing stock. So in 1984 the CSHA introduced restrictions on the proportion of funds available for purchaser assistance. Then in 1989 the CSHA was again amended requiring the States to increase the proportion of funds going into rental housing investment. Accompanying this reduced capacity of the States to subsidise purchasers the States were also being encouraged to find other private sources of funds for purchasers.

The deregulation of the financial system followed the case prepared by the Campbell and Martin inquiries. They argued broadly for a deregulated system of finance which would generally assist the economy by removing inefficiencies and inequities which had developed because of regulation. In the area of housing, they argued, it would produce a more equitable and efficient system for low income owner occupiers. It would lead to the development of more flexible mortgage arrangements, a greater availability of housing finance and the removal of inequitable cross subsidies in the finance system stemming from the regulation of interest rates. (See Nippard, 1985, for a critical evaluation of the housing argument of the Campbell and Martin reports). As some authors have noted, the fulsome acceptance of the deregulation position argued by Campbell and Martin by the Labor Government was a surprise (Kelly, 1992; Stutchbury, 1990). However, the emergence of the Treasury-Keating alliance early in the first Hawke Government was a powerful force which was sufficient to start the Government on its program of economic liberalisation and deregulation (Stutchbury 1990: 58).

In addition, this program of financial deregulation needs to be seen against the background of regressive tax policy. Throughout the last decade it has become clear that the interaction of the tax and housing systems produces very inequitable and inefficient outcomes. The absence of a capital gains tax and imputed rent taxes results in large tax expenditure benefits going to high income earners with the best houses in the best locations (Flood and Yates, 1987). Further, there has been the very direct effect of negative gearing and depreciation tax changes on the operations of the private rental market. Hayward and Burke (1989: 33) suggest that one of the major factors contributing to the rapid house price increases which reduced affordability for first home purchasers in the late 1980s was due to the investors being drawn back into investing in the private rental market. However, there has been no preparedness to consider policy development processes which might have some success in gaining reform in this admittedly difficult area of taxation.

The outcome of financial deregulation on the housing system has yet to be fully accounted for. However, the implications appear to be significant. As noted above there has been a general decline in housing affordability until the early 1990s. In part this has stemmed from increases in mortgage interest rates but there is also the possible effect of deregulation on house price inflation (Wood and Bushe-Jones, 1990). However, within the urban system there have also been shifts in value. As Badcock (1992a; 1992b) suggests, deregulation of the finance system has been one of the contributing factors in the Adelaide 'heart transplant'. This transplant has seen a major shift in value from the outer areas to the inner areas. This increase in value has then been captured by the higher income earners of the inner city areas and lost by the lower income outer suburban owners.

Certainly there was resistance to the deregulation of housing finance. This was evident in both the conflict around deregulation and proposals for the development of alternative financing mechanisms. For example, the Housing Industry Association proposed that the Federal Government should borrow \$1000m on the international money market as a source of additional mortgage finance (Orchard,

1989: 379). In 1986 the savings banks went on a capital strike because of the regulations putting a cap on interest rates for home lending and put pressure on the Federal Government to completely deregulate (Walker, 1986). Because of the pressure from other quarters, especially State Labor Governments, and the fear of a disgruntled electorate this resulted in negotiations with the banks. The decision was then taken to subsidise the banks so that they would hold down interest rates on existing loans and to deregulate the interest rate on new loans. Subsequently the banks were released from their obligations under asset regulations.

Beyond this process there was another where it was being argued that, even within a deregulated environment, the Federal Government should develop mechanisms which ensured a stable supply of housing finance at the best price. The initial consideration of how this might be done could only be called desultory. It was left to a sub-committee of a Federal Government consultative body, the Australian Housing Council, to consider the impediments to the establishment of a secondary mortgage market (Department of Industry Technology and Commerce and Department of Community Services and Health, 1988). No progress was made in removing the impediments to the establishment of a secondary mortgage market. Then there was the work of the National Housing Policy Review (1989). The work done for this by Yates and Flood (1989) argued for a national secondary mortgage market. Subsequently the National Housing Strategy again examined the need for a secondary mortgage market and suggested the establishment of a national housing corporation able to operate nationally in the deregulated financial markets (National Housing Strategy, 1991). Again this proposal failed to gain support outside the housing portfolio. Treasury ensured its defeat in the 1992-93 budget considerations. It is worth noting however that the National Housing Strategy (1992: 50) continued to propose that the Commonwealth and the States should develop proposals for uniform fund raising instruments

4 Institutionalised Incapacity

The institutionalised incapacity of the Federal Government to deal with important housing policy issues has a long history. Urban development and housing policy more particularly was a responsibility of the states prior to federation. City building was a key economic activity in the economy of the colonies. With the cementing of Federation, the political process did not lead to any Federal Government constitutional responsibility for urban or housing affairs and subsequently the role of the Federal Government in housing has remained unclear. In their review of Federal power in the cities Lloyd and Troy (1978: 14) argue that the first forty years of Federation saw only 'sporadic commitment to housing policy'.

Subsequently the Federal Government in the post-war period did expand its role. Evidence of this is found in specific programs such as the CSHA, various home purchase assistance programs, rent assistance for private renters and support for homeless persons. It is also found in the regulation of the finance system introduced in the late 1930s which established a protected circuit of capital for investment in

owner occupied housing. Certainly the role of the Federal Government became more than sporadic. However, Federal Government housing policy remains fragmented and contradictory. This is despite the efforts of some Ministers and agencies to establish a more comprehensive housing policy framework by initiating reviews, including the Priorities Review Staff (1975), National Housing Policy Review (1989) and the National Housing Strategy (1992).

The reason for the failure of these reviews is structural and is found in the broader configuration of agencies and Ministers within the Federal Government. Besides the agencies with responsibility for housing programs there are others whose policy agendas have a great influence on housing policy development. The outcome is that there is fragmentation and a level of institutionalised conflict around the development of housing policy within the Federal Government. Three broad categories of policy interest can be identified. First, there is the social policy interest in housing centred on the department with responsibility for the CSHA expenditure, which over the years has included the Departments of Works and Housing, Housing and Construction and Health, Housing and Community Services. In this category there is also the Department of Social Security with responsibility for housing related income security payments. Second, there are agencies with an interest in housing defined largely in terms of levels of industry activity and micro-economic reform efficiency gains. In some Federal Governments this industry function has been placed within the agencies already listed who have had a social policy interest while in others it has been placed in the industry portfolio. Third, there are agencies who are only concerned with housing in relation to macro-economic and fiscal policy. This responsibility has always been vested in Treasury and the Department of Finance. In some governments the Department of Prime Minister and Cabinet has also played an important role in economic policy formation.

The portfolio arrangements of the first Hawke Government sent a very clear signal that housing policy development would not be coordinated and that institutionalised conflict would persist. During the Fraser years, Uren was Shadow Minister for housing with Hayden as leader of the Labor opposition. In this period he set out his plans for greater coordination of housing and urban policy through the establishment of a new Department of Housing and Urban and Regional Affairs. However, even more importantly there was a commitment to continue regulating the finance markets as well as establish new mechanisms which would further support the supply of housing finance for owner occupation and rental housing (Uren, 1982). However, with the election of the Hawke Government, housing remained in the Department of Housing and Construction. Further, this portfolio was allocated to Hurford who was also given the role of Minister Assisting the Treasurer. This latter role can be seen as one of the means of ensuring that housing policy did not come into conflict with macro-economic and fiscal policy. Meanwhile Uren was marginalised by being given the Administrative Services and Local Government portfolio. In the area of urban policy he was only given an advisory role to the Prime Minister. However, this advisory role only lasted one term. In the second Hawke Government it was dispensed with altogether and urban policy slid right off the agenda.

Subsequent changes in the housing portfolio have resulted in some strengthening and consolidation of the housing functions within Federal Government administrative arrangements. In 1987, a major reorganisation of Government departments saw the housing function go from the Department of Housing and Construction to the super ministry of the Department of Community Services and Health. Here it was not even in the title of the department and besides it was allocated to a junior minister outside cabinet. It was not until 1990 that housing became more prominent in Government arrangements, when Deputy Prime Minister, Brian Howe, became Minister for Housing and included housing in the name of the department. Then, following the 1993 elections, these arrangements have been further strengthened through the transfer of housing industry responsibilities to the Department of Health, Housing, Local Government and Community Services from the industry portfolio.

In summary Federal Government housing policy has been developed within institutional arrangements mitigating against the development of good housing policy. Policy development of the different agencies has pulled in different directions.

5 State Government Housing Policy Development

The economic context in which State Government agencies developed their housing policy can be summarised in the following way. In phase one, 1982-85, there was a period of pump priming which included large expenditures on FHOS. Phase two, 1985-87, was the period when fiscal restraint became the orthodoxy, as the balance of payments problem became more pronounced. This orthodoxy continued into phase three, 1987-89, as a response to a speculative boom in property, a crash in the stock market, a depression in the real economy and a soaring balance of payments and overseas debt. In phase four, 1989-91, the balance of trade continued to worsen and a high interest rate policy was implemented in effort to bring the deregulated financial system under control. The outcome was a major and continuing recession. In phase four, 1991-93, there has been continuing recession and fiscal deficits. In this period, nominal interest rates have been lowered and the Federal Government has run the budget into deficit.

The decline in housing affordability during these changes in the economy became increasingly evident at the state level in a number of ways. One important indicator is the growth in the waiting lists of state housing authorities. Over the past decade the rate of growth in waiting lists has been pronounced. Closely associated with waiting lists is the number of homeless. State Government welfare agencies are involved quite directly in the development and management of programs aimed at supporting homeless people. State Government agencies are also involved in managing the land development process which became increasingly expensive. All these programmatic activities served to make housing affordability and access an important issue. An immediacy in the politics of housing provision emerged around these functions which was missing at the federal level. One indication of this is

anecdotal evidence suggesting that constituents request State politicians more than Federal politicians to assist in resolving housing issues.

This is the context for the State housing authorities in the 1980s. However, more particularly it is the context for the housing ministers and departments of six newly elected State Labor Governments. They all came to power with commitments to provide more affordable housing and a determination to make some progress. In these portfolios there was a culture of activism expressed most noticeably in the employment of advisers with a background in housing policy. Many of them could be described as policy entrepreneurs who had the task of refining policy commitments, developing new programs and implementing them. Together they formed what can be called a 'policy community' where ideas were shared through working parties and regular communication. Much of this activity was focused on the periodic rewritings and reviews of the CSHA.

One of the challenges for these policy advisers was declining affordability of home purchase, especially in phases three and four, which could be answered by innovative home lending program development. The outcomes of the program development process were described in the first section of this paper. However, there were two problems which were difficult to overcome. Ultimately it has been these problems which help explain the difficulties with loan programs currently being faced by State Government housing agencies. However, most importantly they are problems which could have been overcome through a more proactive Federal Government role.

First, they were seeking to establish secondary mortgage market institutions in a context where the rules for government borrowing are confusing and contested. During the 1980s this situation was exacerbated both by the required reduction in borrowings, the limitations of state tax bases and the more market orientated approach to public sector borrowing (Saunders, 1990; Walsh, 1989). Saunders (1990: 51) makes the summational point that 'it may be feasible or desirable to coordinate government borrowing in federal systems, but the Australian experience is not an advertisement for it'. An outcome of these intergovernmental arrangements are various State Government sponsored and sanctioned schemes designed to maintain programs and if necessary circumvent Loan Council requirements. The situation in the area of housing finance was no different. Yates and Flood (1989) described the consequences in the following terms:

Under present arrangements, the states are forced to seek complex solutions involving private companies and with minimum government indemnity. The States have shown considerable ingenuity in seeking out funds subject to Loan Council constraints by using a variety of off-budget mechanisms... However, one must ask whether this piecemeal approach, coupled with the complex apparatus of grants, loans, nominated funds, global limits and matching is sufficiently simple to be efficient and sufficiently uniform to be equitable,

and whether the restrictions placed on the States coupled with minimal central direction encourage undue bureaucracy, misleading reporting and excess politicisation of housing issues. (Yates and Flood, 1989: vi)

Subsequently, the Federal Government clarified the Loan Council requirements and exempted the operations of State secondary mortgage market schemes from global borrowing limits. However, the damage had been done. The state housing authorities had established structures where they bore the risk of lending to low income households but had given away significant control over the lending program to the managers of the secondary mortgage market agencies and the retailing network.

Second, there emerged a degree of interstate rivalry between the NSW and Victorian Governments in the establishment of secondary mortgage market agencies. This happened despite the level of cooperation that had developed amongst the advisers of state housing ministers. Although the full story is not clear it seems as if Victoria was well advanced in the development of NMMC, its secondary mortgage market agency, in late 1987. This included an invitation to NSW to participate in the establishment of the agency. However, this was seen by Premier Wran as Victoria gaining some ascendancy over NSW in hosting the development of a potentially important financial institution. This led to a hasty NSW Government announcement which preceded the Victorian announcement.

At one level this rivalry can be seen as yet another episode in a long running Sydney-Melbourne story. However, it has a greater significance because it led to the loss of an opportunity to establish a national body. It is now clear that a national body would have been able to operate much more effectively in rapidly changing finance markets. This would have happened in several ways. First, costs associated with the raising of funds could have been reduced and efficiency in administration increased. Second, there was an opportunity to increase the level of skill and determination needed by public sector agencies in their negotiations with private sector finance agencies. During the 1980s the pace of change in finance markets was great and the public sector had few people who understood what was happening. There was a much greater chance of negotiating the best deals if the expertise was centralised rather than dispersed across a number of competing secondary mortgage market agencies.

6 Conclusion

It is true that housing interest rates have declined significantly in recent years and that the rate of increase in house prices has declined. In some areas house prices have even fallen in real terms. It may be thought that the issue of house price affordability for aspirant low and moderate income purchasers has diminished. However, reasoning along these lines would be wishful thinking.

Affordability remains a problem. Already the signs are there in the projections of the National Housing Strategy (1992). In this paper the modelling of future prospects indicated that the level of difficulty is likely to grow. More recently evidence has emerged that the flow of younger households into owner occupancy is dropping. Bourassa (1993) notes how there has been a three per cent drop overall in the ownership rate while the rate for young married adults has been much sharper. However, affordability is likely to worsen for a number of reasons. First, real mortgage interest rates remain high and given the level of integration of the Australian economy into the global economy with its associated current account problem, they are likely to remain high. However, there are other changes underway in the labour market which are likely to further diminish the capacity of a growing number of households to save for housing and meet regular commitments. Income growth for a large section of the population can no longer be assumed as labour market restructuring continues (Gregory, 1993).

These prospects provide a case for Federal Government action in the area of housing finance. However, given the incapacity for action in the present set of institutional arrangements there is a need for changes in the policy process. Attention needs to be focused more sharply on the role that the Treasury plays in the formulation of housing policy. Perhaps this needs to be done in the first instance by the various groups outside government who want to see declining affordability tackled at a national level.

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Social Security Practices, Self-formation, and the Active Society

Mitchell Dean
School of Behavioural Sciences
Macquarie University

1 Introduction

If a new and equal division of property were made...we cannot doubt that the same inequality which we now observe would soon take place again: the improvident, the lazy, and the vicious, would dissipate their substance; the prudent, the active, and the virtuous, would again increase their wealth. Joseph Townsend (1787: 40, emphasis added).

The main point of this paper is to suggest that social security practices of income support can be approached as what I shall call **governmental-ethical** practices. By such a term, I hope to suggest the hybrid nature of such practices. On the one hand, they are called upon to fulfil various administrative and political goals and ideals including those of redistribution, alleviation of poverty and disadvantage, equity, efficiency, and social justice; on the one other, they involve what might be called **ethical practices of the self**, practices concerned to shape the attributes, capacities, orientations, and moral conduct, of individuals. In this paper, I wish to focus on the ethical rather than the governmental dimension of such practices.

I seek to illustrate this form of analysis by reference to one sphere of the recent reform of the social security system in Australia, that of the income support for the unemployed. The key insight I hope to offer is that these social security practices have taken a form that is relatively independent of goals such as the provision of income security or facilitating entry into the labour market, and which is irreducible to a concern with the rights and obligations of the citizen. I want to suggest that, cutting across such goals, contemporary practices of income support can be understood as ones concerned with the formation and reformation of the capacities and attributes of the self. In this respect, such practices are ethical practices of self-formation in that they seek to define the proper and legitimate orientation and conduct of those who claim support. In short, as well as providing a modicum of financial assistance for those involuntarily excluded from a job, and enhancing their job prospects, such practices seek to shape the desires, needs, aspirations, capacities, and attitudes, of the individuals who come within their ken. Moreover, they do this by working upon the relation of the individual to him or herself and demand the complicity of the individual in these practices of self-shaping. In putting forward

what at first may seem an unlikely proposition, I have drawn upon a body of literature that has developed around the twin themes of the later work of the French philosopher and historian, Michel Foucault, on questions of government and ethics (e.g. Foucault, 1979 and 1982; Burchell et al., 1991; Miller and Rose, 1990; Rose and Miller, 1992; Dean, 1991 and 1992).

The purpose of the paper, then, is to offer neither a critique nor an 'evaluation' of existing administrative arrangements concerning the category of the unemployed but to suggest ways in which the intelligibility of those arrangements might be increased. The paper does not seek to add to our knowledge of the unemployed or to the lament about the catastrophe of mass and long-term unemployment. Its purpose is analytical rather than critical, descriptive rather than normative. Nevertheless one possible outcome of the kind of analysis suggested here is a challenge to various aspects of the ways in which social security practices and related techniques of government are represented in various political discourses. This challenge is particularly germane to the representation of these practices solely or principally in terms of the securing of social justice and the provision of a social welfare 'safety net'. I would suggest that such rubrics are inadequate to grasp fully what contemporary social security is about.

The broad outlines of recent relevant social security policy history in Australia are as follows. During the mid-1980s the Minister for Social Security established a major review of the Australian system. The review focused on four major aspects of policy: income support for families with children; income security for the aged; income support for the disabled; and income security programs for those in the labour force, i.e. those who had hitherto been called 'unemployed'. The review produced thirty-one Research and Discussion Papers and six Issues Papers. The latter put forward options for reform of the existing system. Pertinent to our present concerns is Issues Paper No. 4, *Income Support for the Unemployed in Australia: Toward a More Active System* (Cass, 1988), published in 1988. That paper put forward a radical reorganisation of the administrative terrain earlier covered by the 'unemployment benefit' and argued for the integration of income support with labour-market programs and training of various kinds. To do so, it used a language concerning 'an active system of income support' that was broadly consonant with more general social policy pronouncements made by the Organisation for Economic Co-operation and Development (OECD) at the time, particularly its pamphlet, *The Future of Social Protection* (OECD, 1988), and a key article by the Director of Manpower Resources published in the *OECD Observer*, entitled 'The Active Society' (Gass, 1988).

Now the relation of the Review to the structural reform of the social security system is somewhat less than one of full implementation. However key aspects of the Issues Paper found their way into legislation with the social security reforms of 1991. In particular, the notion of the active system was carried into the language of the reforms, including the replacement of the old 'work test' with an 'activity test', the integration of income support with labour market and job retraining programs provided by or brokered through the Commonwealth Employment Service (CES),

and the abolition of the unemployment benefit and its replacement with a differentiated structure of benefits tailored to fit the particular requirements of various groups of the unemployed. Particular emphasis was placed upon the needs of the long-term unemployed that, by 1992, would grow to nearly three tenths of all unemployed (DEET, 1992: 397, Table 27.15). However, where the Review had envisaged a more differentiated system of four new programs, the 1991 legislation resolved it into two programs, Job Search and NewStart (now Newstart).

The Job Search Allowance (JSA) applies to all 16-17 year olds and those over 18 years during the first twelve months of unemployment, while the Newstart Allowance (NSA) applies to those over 18 years who have been unemployed for twelve months or longer. The purpose of the former, to use the words of the 1990-1991 *Annual Report* of the Department of Social Security (DSS, 1991: 105), 'is to support and require active job search, combined with appropriate training or other job preparation activities where there is an identified risk of long-term unemployment', while the latter 'recognises the special and intractable problems facing the long-term unemployed and the need for a different approach to client contact, assistance and obligations'. The NSA introduced agreements between the client and the CES on 'appropriate job search, employment and/or training activities designed to improve their chances of returning to the paid workforce' (DSS, 1991: 105). In both cases, the old 'work test' of the system of unemployment benefits was replaced by an 'activity test' that required the recipient to fulfil a variety of obligations including appropriate job search, employment, education and training activities.

This, then, is the bare bones of the reform. I wish now to show how we might illuminate certain aspects of this reform by considering several suggestions and insights on the relation of government and ethics that stem from the body of work referred to earlier. The argument has three stages. First, it addresses the issue of social security from the concern found in this literature with the **practices and techniques of government**. Secondly, it argues that while such an analysis is empirically fruitful, it is relatively uninteresting until we consider these practices as ones of self-formation, or ethical practices. Here, I outline a way in which we might analyse social security practices as ethical practices or **practices of the self** and apply it to the systems of income support for the unemployed. Finally, I seek to elucidate the type of **governmental rationality** to which these practices of self-formation are linked. Some suggestions can then be made about the relation of these practices to the question of neoliberalism and the promotion of an enterprise culture. Without overstating my argument, I want to suggest that the preceding analysis might illustrate the possibility of the displacement of the ideals of the welfare state with ones of the 'active society'.

Before commencing, I must insist that the following analysis in no way claims to replace existing or alternative forms of analysis of social security systems. It is simply another, hopefully illuminating, perspective on their current transformation.

2 Practices and Techniques of Government

I think it is fair to say that it has been common to analyse social policies principally in terms of the ideologies or policy frameworks they are held to realise, and the role they accord the state and the market in the allocation of resources. By contrast, one of the distinctive features of the work of Foucault and others on government is the emphasis on the practices and techniques by which government occurs (e.g. Rose and Miller, 1992). In this context government is not identified with the operation of the constitutional state or its executive arm. It is rather a general term to encompass all those agencies, practices, techniques, and discourses which provide the means and conditions of administration and rule, with a particular focus on the form taken by such means within liberal-constitutional states. More specifically, the work of these analysts stresses the formation of distinctive means and apparatuses of government that focus on the direction of conduct of individuals and groups, and on the 'population', a unique entity made available by particular knowledges (e.g. the social sciences, economics, and social policy) and dependent upon distinctive **intellectual technologies** (e.g. social statistics, census taking, etc.). One of the features of such an approach is the suspension of assumptions about the necessary locus and source of power in favour of an analysis of the means of rule, administration, and government.

To emphasise the distance from ideological analysis, I employ the term 'practices of government' to designate the means by which various authorities seek to achieve particular objectives by the direction of the conduct of individuals and groups and the promotion of particular **forms of life** among the population (Dean, 1991 and 1992). Such practices of government exist in various relations to particular knowledges, discourses, and rationales of government but in no way can be seen as a realisation of them. These practices are rationalised and regulated according to such knowledges and discourses to a varying extent. In this sense, the practices here under analysis may be said to be highly rationalised according to specific forms of social policy and administrative discourses.

Given what has been said so far, I want simply to note several points that such an analysis reveals about social security practices of income support for the unemployed. First, it might be noted that such practices depend on particular techniques of government. These include:

- the administrative structure and forms of integration of the various departments and agencies, particularly the Department of Social Security and the Commonwealth Employment Service;
 - the training of public servants and the forms of expertise required of them in the administration of these programs;
 - the means for the collection, collation, storage, and retrieval of information about both the unemployed population and individual cases;
 - the design, layout, and location of offices of these departments and agencies;
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- the procedures for the reception of clients, methods of queuing, interviewing and assessing these individuals; and
- the use of eligibility criteria, waiting-periods, Employment Separation Certificates, application forms, tables of income and asset tests, Social Security wall charts, information pamphlets and other types of publicity.

Attention to the techniques of government in this case reveals a virtually unlimited list of considerations that can all be subject to empirical description and various forms of analysis and interpretation.

Secondly, these means are linked in a complex fashion to practices undertaken in a series of sites not formally within the state. Thus businesses, employers, consultants, academics, community associations, Technical and Further Education Colleges, and so on, are employed in a variety of ways to fulfil the objectives of labour-market and job-retraining programs, to define areas of expertise in the training of public servants, to undertake the review and evaluation of existing programs, etc. The government of the unemployed is undertaken by the complex linking of state and non-state agencies and authorities, the use of legal, financial and regulatory powers and resources, and the employment of myriad means of rule, only some of which are mentioned above.

The virtue of this analytic of government for our purposes is that it directs attention to the conditions of operation of particular social security practices so that, at a minimum, such practices cannot be reduced to emanations of a particular ideology, policy perspective, or even welfare-state regime. The analysis of social security measures as practices of government reveals the dependence of social policy on particular technical conditions of existence, routines and rituals of bureaucracy, forms of expertise and intellectual technologies, and the enlistment of agencies and authorities both within and outside the boundaries of the state. In brief, in displacing attention from both the constitutional state and the analysis of ideology, the 'problematic' of government reveals the complex and irreducible domain of practices and techniques that form the conditions of social policy. Such an analysis thus directs our attention to the need for the analysis and empirical description of practices that are the conditions of the existence of a social security system.

This, however, is not the principal merit of these analyses of government from the perspective of our present concerns. What they have to offer is a concern with the ways in which these practices and techniques impinge upon the domain of self-formation and self-relation. It is this angle that I would most like to develop in the rest of this paper.

3 Practices of the Self

Following Foucault (1985), I propose that there are four questions we might pose to any governmental-ethical practice insofar as that practice is concerned with the direction of conduct and with the relation to self of the individual.

The first question concerns what is governed in such practices. In our case, we should seek to discover the element to be governed in the claimant for income support. This might be called the **ethical substance** of the practice.

The second question concerns how this element is governed, i.e. the means, techniques, routines, and rituals, that are designed to act on this element. In this regard, these practices may be regarded as various **forms of asceticism**, if by that is meant the ways in which work is performed on the self.

The third question concerns what is hoped to be achieved by such practices, what is to be produced in the subject of such practices and what type of subject they hope to produce. This can be called the **mode of subjectification** of a practice.

Finally, and perhaps most importantly, we should seek to sketch the grand purpose, goal, or design that these practices belong to and fit into, i.e. the type of society, composed of particular types of individuals, such practices envisage. This is the *telos* of the governmental-ethical practices. This question opens the way to a consideration of the governmental rationality to which these practices are linked.

Let us then see whether we can apply such a schema to the social security practices I have mentioned. What do they seek to govern? The answer here seems self-evident: unemployment. These practices certainly do this if by that is meant the condition occasioned by involuntary exclusion from the labour-market. It is true that the Social Security Review placed great stress on the provision of adequate levels of income support and that Job Search and Newstart may be judged to be more or less adequate in this respect. However, from the vantage point of a concern with ethical practices of self-formation, these practices also seek to govern what they consider the social and personal effects of unemployment (Cass, 1988: 129-38). These include the erosion of self-esteem, the effects on physical and mental health, the isolation of the unemployed from social networks, their marginalisation from the labour market, their potential for criminality and lawlessness, their poor morale and motivation, their attitude to the labour market, their boredom and their loss of social obligation. In other words, an 'active system' of income support for the unemployed not only acts upon the financial plight of the unemployed, and upon their job prospects, but also upon those attitudes, emotions, conducts, and dispositions that present a barrier to the unemployed returning to the labour market, and alienate them from social networks and obligations. Of particular salience here is the notion of 'risk of dependence': by analysing the different subjective phases of unemployment, it is possible to identify the point at which the unemployed risks falling into a cycle of long-term dependence on welfare benefits (Cass, 1988: 132-3). What these systems seek to govern, then, are all those attitudes, feelings, and conducts constituting the risk of dependency. Indeed, the very fact of addressing this risk of long-term dependency distinguishes an **active** system of income support from a merely **passive** system of benefits (e.g. Cass, 1988: 4; OECD, 1988: 7-8).

Let us turn to our second question concerning the means by which this complex of factors making up the 'risk of dependency' is to be governed. The key here is the administrative practice known as the 'activity test' that replaces the old 'work test'

of the system of unemployment benefit (Cass, 1988: 6, 141-7). The rationale for this change of nomenclature and content is quite straightforward. In the post-war period of full-employment, unemployment benefit could be regarded as a short-term measure to cover temporary contingencies of those between jobs or entering the workforce. The offer of work, or the search for employment on the part of the unemployed, was sufficient to test the legitimacy of the claimant's status as unemployed. However, in a period of high unemployment, and growing long-term unemployment, and the incapacity of the labour market to supply jobs to those wanting them, the notion of a work test is extremely hard to sustain. On the one hand, there simply are not the jobs to provide such a test. The test itself becomes increasingly meaningless and redundant. On the other, particularly for the long-term unemployed, the task itself is held to be as personally debilitating and demoralising as it is fruitless. The work test by itself could then be viewed as contributing to the very risk of dependency identified as the substance that income support should be combating. Thus what is required is a test that attacks this very risk of dependency.

The Review thus argued for, and the reforms implemented, an activity test by which the claimant must demonstrate not only active job-search but also training and job-preparation activities. In the case of the long-term unemployed, those on NSA, this activity test takes the form of an agreement between the client and the Commonwealth Employment Service on what constitutes appropriate job search, employment and training activities. Included in the activity test, then, is not only active job-search but participation in a wide range of other activities deemed to be, or even agreed to be, useful in promoting job re-entry. These might include: English language courses, linguistic and numeracy competency courses, short courses on particular skills, participation in CES 'Job Clubs', on-the-job training and training courses, part-time or short-term work, courses and counselling to improve confidence, motivation, and presentation, and participation in voluntary work (see the 1991-92 *Annual Report* of the Department of Employment, Education, and Training, DEET, chs 6 and 7).

Fundamental to both the activity test and the New Start Agreements is the notion of **reciprocal obligation** articulated by the DEET in the following way: '...if the Government is providing income support, labour market programs and other services, it is only fair that clients take up any reasonable offer of assistance and do whatever they can to improve their employment prospects' (DEET, 1992: 21-2) (compare with Cass, 1988: 152-4). Benefits are not granted, then, as a right of citizen or taxpayer but as a part of mutual exchange or contract between the individual and the state in which both parties accept a new pattern of obligation. This is evidenced by a shift in language. Instead of granting a **claimant** her/his rightful **benefit**, the state provides an **allowance** and services on the condition that the **client** engages in job-search activities, or what we have called 'practices of the self'. One might think of all these practices, then, as administratively governed ascetic practices in contrast to the religiously governed asceticism of the famous Protestant ethic.

A good example of this administrative asceticism is the Job Search Kit provided by the CES. Included in it is a *Job Search Workbook* containing information on preparing a resume, writing applications, telephoning employers, and doing interviews. It also recommends that the client makes up a 'job folder' containing job leads, application letters, written references, copies of qualification certificates, work samples, school reports, and so on. The *Workbook* even contains pages for recording job leads and notes for following up such leads. The Kit also includes a break-down of job search into a detailed step-by-step set of activities that the client is advised to undertake. What is happening here is a kind of 'Taylorisation' of the activity of being unemployed. These forms of asceticism are, needless to say, backed up by sanctions. Failing an activity test, breaking an agreement, failing to respond to CES correspondence or to report for an interview at the CES, can result in the cancellation of the allowance for a minimum of two weeks in the first instance and six in the second.

I do not wish to address the question of the reasonableness, fairness, adequacy or effectiveness of the various practices mentioned here or the labour market programs offered by the CES. I want simply to note that these activities amount to a kind of interface between governmental activities of the state (the provision of allowances and services, etc.) and what might be thought of as a kind of set of ascetic practices of the self. In short, through these practices the individual no longer claims a benefit but becomes a client of various agencies receiving an allowance conditional on establishing a particular relation to the self.

This, then, brings us to the mode of subjectification of the individual, what these practices are seeking to produce, and the type of self-relation they are seeking to establish. That relation is firstly one in which the individual is the proprietor and marketer of his or her skills, qualifications, and even physical and psychological attributes. We might call this the 'active subject', in line with the language of the Review, the reforms, and the OECD. The active subject is opposed to the individual rendered dependent by the old passive system of unemployment benefit. To be an active subject is to take an active role in the management and presentation of the self, to undertake a systematic approach to the search for a job, and, ultimately, if possible, to participate in the labour-force. If the latter is not possible, the active subject participates in activities that enhance his or her prospects of entering or returning to paid work, while at the same time remaining bound to social networks and engaging in practices that overcome those attributes (fatalism, boredom, loss of self-esteem) which constitute the 'risk of dependency'. Moreover, by installing the notion of contract in the Newstart agreements, the client is asked to become the active subject of his or her own destiny at least as far as the labour-market is concerned. If disciplinary practices seek to render the individual docile and useful (Foucault, 1977), and certain Christian religious practices seek to create a pure and immortal soul, these social security practices are concerned to render the individual an active entrepreneur of his or her own self, ready and able to take up such opportunities that the labour market, social provision, education, and social networks, may provide, and thus able to combat the risk of dependency.

Without developing this theme, I would here simply note here the similarities between this active subject and the revamped *homo oeconomicus* of human capital theorists of the Chicago School of Economics, in which the individual seeks to use his or her own biologically endowed and socially acquired attributes as a form of capital presenting returns in the form of satisfactions (Gordon, 1991: 41-4; Foucault, 1989: 118-19). One must be careful here. At the level of the practices of government, the Australian system recognises a pattern of 'reciprocal obligation' envisaging a role for the state in job-search and training far beyond that countenanced by contemporary neoliberalism and conservative parties in Australia and elsewhere. At the level of the mode of subjectification, however, it is difficult to distinguish the objectives of the Australian income support practices from many contemporary variants of neoliberalism.

These practices, then, do not simply relieve. They assess each individual as a case to be managed, they supervise the individual's relation with him or herself, they neutralise dependency by identifying certain risks in that self-relation, and they seek to promote various qualities in the individual. Further, by entering into agreements and undertaking the obligations imposed by the activity test, the client is to be made into the subject of his or her destiny, responsible for undertaking the type of activity determining that destiny. Insofar as the active subject is compelled to agree to these practices of self-formation, it is difficult to distinguish from the neoliberal figure of the 'entrepreneurial individual'.

4 Governmental Rationality

The final point of the present analysis of these governmental-ethical practices is to question the kind of society or forms of existence these practices seek to engender, or the kind of world they seek to create. This is to address the *telos* of such practices. If thus far the analysis has analysed the **programmatically** aspects of governmental-ethical practices, i.e. those aspects concerned with the practical achievement of particular policy objectives, the analysis now turns to the theoretical and utopian dimension of these practices, or what might be called their **governmental rationality**. This is a more difficult, and somewhat more speculative, task than that undertaken so far. To do this, I refer to more general policy pronouncements of the OECD on the desirability of what it calls an **active society** that are contemporary with the Review's Issues Paper on the active system of income support for the unemployed.

Here, the active society emerges as a more general way of addressing the Social Security Review's paradox of the maintenance of work as a central social value and objective during a time of the decreased availability of full-time paid employment. Where the Review, and the ensuing reforms, resolve this paradox practically by a shift from a work test to an activity test, the OECD seeks to transform the significance of work by placing it within the category of 'socially useful activity' (Gass, 1988: 7). The problem is hence to displace the expectation of full employment underwritten by a welfare state, and the assumption that work is full-

time wage-labour for all adults up to retirement age, with a society that guarantees access to a range of opportunities over the life-cycle of the individual (Gass, 1988: 5). Thus the active society is one that ensures people can work, and enables them to do so, but also encourages activities outside the sphere of paid employment. An active society includes not only participation in the labour market but also participation in education and training, in voluntary associations, in part-time work or periods of domestic work, in hobbies, travel, and so on, or combinations of these, depending on individual preference and the point reached in the individual's life-cycle (Gass, 1988: 5-7). Active societies are said to lead to 'a more ambitious and realistic form of full employment, which will require a variety of combinations of working time, education and other activities, in accordance with individual preference and family circumstance' (Gass, 1988: 7).

I would like to note a double move around this ideal of an 'active society' that can be elucidated by what is excluded, left behind, or opposed by such an ideal. On the other hand such a society is characterised by active income support policies rather than the passive form of welfare benefits characteristic of the welfare state. On the other, it promotes an active population whose members participate in a range of activities that are considered to be socially and economically useful, and are therefore able to take up the opportunities presented by the labour market, education, social provision, and, indeed, social existence more generally. Such a population is defined in opposition to a dependent population, i.e., to the population rendered dependent upon the welfare state by the merely passive system of benefits (OECD, 1988: 21; Gass, 1988: 6). The concept of an active society allows this form of governmental rationality to attach a critique of the welfare state as a merely passive system of handouts to the image of long-term dependency among the population.

It takes relatively little imagination to guess what constitutes the flipside of this ideal of the active society and this is spelt out in the OECD's (1988) study, *The Future of Social Protection*. Here we find the spectre of the self-reproduction of a dependent group permanently living within the welfare system. This group is characterised by what it calls (OECD, 1988: 21), citing Ralf Darendorf and William Julius Wilson, a 'syndrome of deprivation' leading to a 'ghetto existence' with no stake in official society and so heavily dependent on welfare and prone to illegalities as to exhibit a marked behavioural contrast with the mainstream. This document offers three terms to describe this group: 'persistent poverty', 'welfare dependency' and the 'underclass'. It may be the last that best exemplifies the redefined site of the social problem for the proponents of the concept of an active society and active systems of income support.

To suggest that the fear of the creation of this permanent underclass is the ultimate rationale for an active system of income support is neither to praise nor decry the objectives and means of such a system. It is merely to make clear what it is that these systems have come to crystallise as the social problem for the 1990s and to suggest that this fear provides a certain justification for our elaborate systems of labour-market programs, retraining, and those 'ascetic' practices of the self that have come to characterise the experience of being a client of social security. The point to

be made is that the concern for disadvantage and for social justice has become linked to a fear of long-term welfare dependency and its consequences. To prevent the formation of such an underclass our governmental-ethical practices of social security demand that clients work upon themselves so that they may be ready and able to work when opportunities are available. If neoliberalism today dreams of an enterprise culture, contemporary social policy has devised a range of governmental means by which the active subject could be formed, and could form him or herself, in relation to such a culture.

Whether we embrace or reject the ideal of an active society or an active system of income support, we should realise that more is at stake than the role of the state and the achievement of certain social objectives. It is true that active systems place new obligations on the state for the provision of services and that this distinguishes them from the radical anti-statist version of neoliberalism. Nevertheless, it is also true that at stake, in both neoliberalism and the active system, are our hopes and fears about who we are and what we might become.

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Disability and Aged Care: Emergent Themes in Social Policy

Kate Driscoll and Roger Trowbridge
Department of Leisure and Tourism
Royal Melbourne Institute of Technology

1 Introduction

It could be argued that increasing attention has been paid to the needs of the ageing and people with disabilities over recent years for a number of reasons. However at the same time these policy sectors have had to absorb, along with other components of government programs, some substantial resource cuts. The question of how these competing trends are being managed in policy has formed part of the focus of research looking at the experience of four particular populations: people with an intellectual disability being accommodated in the community following a period of institutionalisation; people with a psychiatric illness living in the community; older people with dementia; and people with severe or profound physical and intellectual disabilities.

In all these fields some common themes can be identified as underpinning policy priorities. These themes include a central focus on the client as an individual, a concern for 'quality of life', a rhetoric around human rights, and the now familiar policy frameworks of 'normalisation' and 'integration'. It is clear that these themes are intended to reflect a consistent set of liberal values. However it is also clear that in practice the outcomes do not always match the promise. This paper will attempt to establish the extent of thematic consistency across the research populations, and to identify ways in which the development and implementation of policy has resulted in a legitimisation of outcomes which are not always consistent with the best interests of consumers.

2 Themes in Ageing and Disability Policy

Our research work across the ageing and disability areas provides a wealth of empirical evidence on the nature of practice across these sectors which reflects the dominant agendas of contemporary social policy. Two dimensions frame policy and practice; firstly, a set of ideas around quality of life broadly represent the social direction of policy; and secondly, concerns around the cost and outcomes of projects are the outward representation of the economic dimension of policy. The social and the economic dimensions frame all aspects of ageing and disability policy in a way which reflects the competing agendas, conflict and contradiction of the modern state.

On one hand there is a clear and well established tradition which is grounded in social justice and its logics of social responsibility and collective support for disadvantaged members of society. This is tempered and limited by the agenda of economic rationalism, which is based on the logic and ideas of classical economics and is fuelled by the neo-conservative ideology driving contemporary politics. (Battin, 1991) This tension between the social and the economic is evident in both aged and disability policy and provides the overarching framework for our analysis. From this point, we have identified a series of interconnected themes. These are first outlined and then developed in detail to form a critique of policy. From this emerges an alternative approach to policy development.

Policy across these sectors uses the individual as the basis of the allocation of resources, through individual needs-based planning, and as the foundation for the policy prescriptions of independence and quality of life. So the individual older adult and person with a disability has emerged as the basis of policy, planning and provision. This development reflects concerns around efficiency and effectiveness as well as the minimalist, targeted approach to provision by the state. It represents a shift away from institutional models of provision and has produced a range of consequences for older people, people with a disability and their communities. In economic terms an individual model has widespread political support because it is both quantifiable and reducible.

The individual unit model has led to an increase in the bureaucratisation of the aged and disability sectors. This has involved a further bureaucratisation by the state of service management, planning and monitoring rather than a bureaucratisation of service implementation. The aged and disability sectors have been transformed by the corporatisation of management practices, and service provision, and access is determined by processes which revolve around individual assessment.

A two tiered workforce supports these sectors which Yeatman suggests is characterised by '... a culture of professional dominance' (Yeatman, 1990a: 223). Services are managed and co-ordinated by multidisciplinary professional teams. The implementation and delivery of services is undertaken by both paid workers and unpaid carers. It is a highly gendered workforce which is dominated by women. At the level of provision workers tend to be untrained, bluecollar and have limited input into service development and planning.

Aged and disability policy has been based around the philosophy of normalisation which is framed by the moral imperatives of the family and the workplace. Normalisation provides a rationale for the sector by locating policy and practice for older adults and people with a disability within training programs for employment, community based residential accommodation and programs designed to promote independent living. Normalisation provides a prescription for community rather than institutional living, economically productive activity and individual independence. It is an agenda which has been driven by objectives based around quality of life which have been implemented as part of a strategy of privatisation of state services and responsibilities across these sectors.

The policy position of normalisation explicitly demonstrates the tension and contradiction inherent in social policy. On one hand the normalisation philosophy is based around a set of liberal values which are concerned to create just and humane opportunities for older adults and people with a disability. On the other, normalisation bears all of the hallmarks of economic rationalism, providing the language and strategy for the state to reduce service provision across the aged and disability sectors through various mechanisms of privatisation. Normalisation is a powerful political tool not just because it has a stranglehold on the aged and disability sectors but because it represents a binding marriage of social and economic liberalism.

The final theme emerging from our work is the pattern of social control evident across the aged and disability sectors. The normalisation agenda which dominates contemporary policy serves to create a context for people with a disability and older adults which locks them into the family and work. In this way policy completely ignores the context of the lives of people with a disability and older adults. The policy process operates to serve the contexts of work and family in the conceptualisation and delivery of services. The individual is reduced to a unit of accountability which prevents both policy and practice from locating older adults and people with a disability in terms of their culture, gender, ethnicity, race and social class position. Policy serves to limit and control individuals through packaging a range of service options which are based on the needs of the individual. However, needs-based planning is framed by the hegemony of normalisation and this means that the logic of work and family precede questions of what sorts of services and supports the individual might need to live a meaningful life. The aged and disability sectors have been captured by a set of ideas which offer people with a disability and older adults a range of policy prescriptions which will see them become integrated into society so that they might become independent of public provision.

Throughout this paper we want to further explore these themes. Moreover we want to argue that policy does not actually achieve its explicit goal of liberating people with a disability and older adults. Rather, policy actually entraps older people and disabled people in a web of professionally dominated, bureaucratic processes which serves to reinforce the very isolation and marginalisation it was designed to challenge. In this way, social policy ensures that people are powerless. From this critique we make some initial suggestions around culturally productive action. In a further paper we will develop more fully this conceptual and political framework which we believe is necessary for social policy to achieve independence, autonomy and meaning for older people and people with a disability. Culturally productive action is a way of '... rendering power visible' (Melucci, 1988: 250). By making power visible the role and function of social policy is transformed. Through this transformation social policy has the potential to become a central means of '... reconstituting the political' (McDonald, 1990: 73). Contemporary ageing and disability policy is constructed so as to render the older person and the person with a disability apolitical. Yet the very process of this construction is itself highly political. Culturally productive action is a way of enabling older people and disabled people to be political through the construction and representation of their lives.

3 The Client as an Individual

Running through the aged and disability policy sectors is an overarching emphasis on the individual. This emphasis operates as both the basis of resource allocation and as the ideological logic shaping provision. A focus on the individual is not in itself problematic, however the way the individual has been constructed in policy is limited in terms of both service development and social change for people with a disability and older adults.

Melucci (1988) sees individuals in terms of individualisation which he explains is an outcome of the 'structural tension' which is characteristic of post-industrial society. (Melucci, 1988: 256) According to Melucci, individualisation is a process which has two dimensions; an integrative aspect and an identity component. In something of a sea-saw effect, the integrative dimension is controlled by social processes and mechanisms and includes the activities of the state which '... establish the criteria for normality' (Melucci, 1989: 49). The identity dimension involves the potential which the individual has for control and action. So individualisation involves a constant quest for the control of meaning and action. For Melucci, the concept of identity is inadequate yet he sees the '... control of identity - that is, ...the reappropriation of the meaning of individual and social action' (Melucci, 1989: 49) as central to people's capacity to act.

Melucci's work usefully contributes to our understanding and analysis of the disability and ageing sectors. The language of social policy across the ageing and disability sectors reflects the integrative and identity dimensions: integrative through normalisation; identity orientated through a focus on meaning and the self. Arguably normalisation is a central part of the process of individualisation which seeks to extend '... social control by means of an increase of "socialising" pressures on individuals' motivational and cognitive structures' (Melucci, 1989: 256). So, as these policy areas currently exist, they have clearly '...establish(ed) the criteria for normality' through the family and work so that people with a disability and older adults have very little scope to establish for themselves the territory of what it means to be an older adult and disabled. Social policy has already done this through the context of normalisation.

Melucci's work on social movements links individual action to the context of an individual's life. Moreover, Melucci suggests all individuals have the capacity for social action. This means that individuals have the opportunity to claim, construct and control social meaning.

The duality of individualisation adds a further layer to the contradictions of social policy. The integrative aspect of contemporary social policy involves a balance and a tension between the social and economic. A further contradiction appears in the direction of social policy for the aged and people with a disability. Here the language is of identity, meaning and empowerment, yet policy is conceptually and ideologically constructed around a narrow criteria of what is normal through the integrative philosophy of normalisation. Normalisation has been conceptualised

around a set of normative and prescriptive practices shaped by the duality of the family and the labour market. The discourse of work and home have become the logics which drive these policy areas. In turn, this way of life is managed by professionals within the state bureaucracy.

4 Bureaucratisation

The bureaucratisation of the daily life of older adults and people with a disability is evident in a number of ways and needs to be seen within the context of the modern interventionist state which Yeatman argues '... reaches into virtually every aspect of our lives' (Yeatman, 1990b: 36). The individual unit of needs-based planning, assessment and funding has now become the *modus operandi* of the contemporary state and is evident across disability and aged care, and more recently in health care with the introduction of the case mix funding arrangements. The model involves identifying individual needs, prescribing options and monitoring and measuring outcomes.

There is a very real irony about getting issues up on the policy agenda in this and other areas of state activity. Yeatman draws upon Durkheim's work to suggest that '... the state problematises by naming, and thereby bringing to the surface, features of our lives ...' (Yeatman, 1990b: 153) Melucci says that the consequences of this are that '... each episode of planning spawns a technocratic decision-making centre, which inevitably curtails participation and effective rights' (Melucci, 1988: 255). In the aged and disability fields this has resulted in an expansion of the management, monitoring and assessment processes. This has been able to occur through the state's imposition of a client role on both older adults and people with a disability. Individuality is managed and assessed by a set of measurements and instruments mediated by bureaucratic processes. Fulcher (1992) argues that social policy is managed by '... the predominant discourses (of) professionalism ...and more recently, a corporate discourse' (Fulcher, 1992: 61).

The result, Gibb (1990) suggests, is the development of a 'bureaucratic discourse' where needs are defined around '... material needs for which a dollar value can be readily identified'. The logic of economic rationalism means that the frame of reference for aged care becomes '... those needs which can be met materially' (Gibb, 1990: 14).

The net result of bureaucratisation is a proliferation of services and processes for older adults and people with a disability, which all focus upon functional independence. No real independence is actually possible beyond that which is the construction of an interventionist state. Moreover this independence is shaped and controlled by a professional discourse which is then regulated by the dictates of managerialism.

If practice across the disability and ageing areas is to deliver any of the promises which litter these sectors, then the practices, processes and conceptualisation's which are implicit in Melucci's 'democratisation of daily life' must be developed.

(Melucci, 1988: 259) The task of social policy in these areas must be to challenge the bureaucratisation of daily life and to explore the possibilities for democratisation conceptualised by Melucci. The first step in this process must be for social policy to move beyond the conceptualisation of the individual and to locate older adults and people with a disability within the context of their daily lives. The contemporary practice of reducing the individual to a set of material needs is context free. It is a practice which constructs the individual as client and forges a relationship with the state which is based on the dependency of the client.

5 Assessment

The assessment of older adults and people with a disability is an individual process undertaken along highly bureaucratic lines. The individual is exposed to minute assessment and evaluation by multi-disciplinary, professional teams. For older adults the rationale for this assessment is linked to policy agendas around the containment of nursing home care and the appropriate packaging of HACC services. For people with a disability, assessment is similarly linked to service access with an additional focus on the development of daily living skills and drawing up care plans. We would suggest that often the sorts of processes at work in these sectors result in people being reduced to what Granow and Offe have termed, 'objects of administrative care' (quoted in McDonald, 1990: 72).

Increasingly access to services is developed and portrayed around a logic of consumerism with an emphasis upon choice and service quality. Under the banner of privatisation, a range of service models exist which include brokerage and contracting out. Yet the bottom line of privatisation is often provision by families and carers, with the conclusion that the rhetoric of independence clearly means a shift so that people are independent from the state. The processes of assessment appear to be more about managing minimalist standards of living than about facilitating any sort of meaningful way of life.

6 The Construction of a Way of Life

In her discussion of old age policy in France, Guillemard (1985) suggests that the two dimensions which have framed policy are the 'standard of living of old people' and the 'way of life of old people' (Guillemard, 1985: 77). These two dimensions represent the axis of social policy and provide a useful way of explaining how social policy acts to control the integrative aspect of individualisation. The standard of living axis is largely concerned with income support and a range of health, housing and community support benefits, and the way of life axis is orientated towards the construction of normative lifestyles, or again Melucci's 'criteria for normality'. Guillemard goes further to suggest that the very development of old age policy serves to construct a social category of old age. This occurs in a number of ways, for instance in entitlement to old age pensions and other benefits.

In terms of normative lifestyles there are very clear frameworks across aged and disability policy which attempt to establish standards and construct a way of life for both older adults and people with a disability. Graycar argues that this is not surprising given social policy's central concern with 'how people live and how they ought to live' (Graycar, 1989: 103).

A number of factors have influenced the construction of a way of life for older adults and people with a disability. The principal influences on the way people live have been the philosophy of normalisation and the policy of deinstitutionalisation. These policies gained political acceptance because of the combined political dominance of liberal values and economic agendas, rather than through an explicit agenda of social reform.

Liberalism has provided the overarching logic for both social and economic policy. Beilharz (1989) offers some explanation for this dominance with his suggestion that there is a duplicity in liberalism which is almost beguiling. He states that liberalism '... is capable of providing a grammar for both more innovative and more conservative policies' (Beilharz, 1989: 17).

This is clearly the case with both deinstitutionalisation and normalisation. The former was pursued to counter the excesses of models of care based on institutional approaches, and the latter proposed a way of life based upon a hegemonic conceptualisation of contemporary life. Moreover, in a timely marriage of social and economic liberalism, the shift to community models of care has privatised the cost of provision around the individual older person and the person with a disability, and subsequently reduced the institutional commitments of the state.

The focus on the individual was initially the basis driving the reform of these sectors and a social agenda emerged around individual need which was developed in policy through the rights of the individual. Trowbridge (1993) argues that this reform agenda initially emerged from the human rights movement of the 1960s and 1970s. In Australia this agenda was incorporated into the Keynesian welfare state with its focus on questions of disadvantage and quality of life. However the focus on the individual remains in place and has now been incorporated into a more conservative and rationalist state. This is one example of how the social policies of Keynesianism lend themselves to a re-working and reinterpretation to reflect the language, logic and ideology of economic rationalism.

Economic rationalism has a central focus on the market and the role and rights of the individual to choice within the market. This philosophy is reflected in contemporary policy through the privatisation of services and the creation of a social market through which provision is driven by individual choice. At the level of social policy rhetoric, people with a disability and older adults can construct their own way of life through the opportunities offered by a consumer market. Implicit in social policy are a set of assumptions which see the market as the principal vehicle for the achievement of freedom of choice. This approach is driven by an ideological position which '... assumes that people's notions of personal freedom are connected

with notions of choice, and the individual behaves as if the exercise of choice were a proxy of freedom' (David Pollard quoted in Davidson, 1993: 8).

7 Normalisation

Policies of normalisation and deinstitutionalisation are interconnected. A way of life has been constructed for older adults and people with a disability which is based in the community and is politicised around notions of independence. Normalisation rests upon a set of assumptions which see employment and the family as the basis of a way of life. The normalisation framework attempts to engage people with a disability, in particular, in the processes of material and symbolic reproduction.

In modern society, work and the family form the basis of the dominant order and therefore meaning. Using Habermas' model of system and lifeworld (Fraser, 1985) we want to argue that the normalisation philosophy assumes that older adults and people with a disability need models of family life so that they can be socialised into the forms of economic productivity normally associated with paid work. In the same way that families are the site of material and social reproduction, where children are protected, fed, kept clean, and taught social and cultural skills and practices, Community Residential Units have an explicit agenda of preparing people with a disability for an independent and work based life. Our research has identified a range of programs designed to teach people fundamental living skills. A not uncommon experience involved a person with a disability participating in a teeth cleaning program which had spanned two years.

Normalisation viewed in this way is a strategy of social control. Trowbridge (1993) adds another argument to support the social control thesis with the suggestion that the explicit employment agenda of normalisation is in fact a strategy aimed at reducing the number of welfare recipients. Moreover, within this context Trowbridge notes that '... the employment-driven policy around disability is very much part of an established Australian welfare tradition' (Trowbridge, 1993: 54).

Significantly, the gender relations which frame Australian families and labour markets are reproduced in normalisation. There can be little doubt that the process of integration is designed to be total and relies upon a family model to achieve success. This approach uncritically reproduces the inequality which characterises gender relations in the push for normality. The issue here is not that older adults and people with a disability be excluded from the lifeworld, but rather that they, rather than social policy give this space its meaning according to the terms and experiences of the lives of people with a disability and older adults.

8 Critique of Contemporary Policy

There is an inevitability about these policy sectors which suggests that not only are they fraught with tension and contradiction, but that ultimately they cannot deliver for older adults and people with a disability. Instead of liberation and dignity it

seems that we will have set in place a way of life which ensures the continued marginalisation of these groups.

Aged care and disability policy are framed by the logics of work; for older adults retirement from work; for people with a disability there is a tension which on one hand offers legitimate exclusion from work and on the other makes real demands for productivity. However, the terms of the debate are shaped by the labour market which in turn is framed by the demands of industry. As the Australian labour market contracts and patterns of work change, two consequences are likely.

Firstly, we are likely to find a more complex and more specialised workforce. Sadly the rigours of fundamental living skills and other forms of largely domestic training are unlikely to provide adequate employment preparation for this harsh labour market. Conceptually and technically these programs lack the sophistication necessary to make inroads into depressed labour markets. Secondly, as the workforce contracts and the non-labour force expands welfare expenditure in the form of income support through unemployment benefits and old age pensions will be in greater demand. An increase in demand for welfare payments will result in either a reduction in the amount of benefit and/or an increase in the targeting of benefits. Given that significant numbers of older adults and people with a disability are dependent upon state income support and that current benefit levels are precariously low, these scenarios paint a picture of increased marginalisation across these policy sectors, with an increase in the poverty and exclusion of people with a disability and older people.

The way of life proposed for older adults and people with a disability represents a struggle between labour market and welfare alternatives. It is a situation based on a consumer model of social policy which is precariously balanced by a liberal notion of rights. Inevitably, what can and ought to be provided is limited by both the nexus of the social and the economic, and by the current conceptualisation of ageing and disability.

9 Rights

This analysis of the state of play across these sectors begs the question of politicisation of issues and debates facing people with a disability and older adults. We would suggest that the current position of these groups is not strong largely because these policy sectors have been dominated by a rights agenda which is framed by a narrow, liberal ideal of individualism.

Locating rights within a conception of citizenship, Murphy (1990) suggests a 'central tension ... between, on one hand, citizenship as simply an administrative criteria of eligibility...and on the other, citizenship as the exercise of rights to participate in society and its power relations' (Murphy, 1990: 79). McDonald (1990) provides a further reference point around the notion of rights and confirms our belief in the limited possibilities offered by the rights agenda with the comment that 'The welfare citizenship debates run the risk of defining citizenship in terms of receipt of

a **benefit** rather than as a **capacity of action**' (McDonald, 1990: 71) (original emphasis).

The rights conceptualisation emerging from these policy sectors can be understood within an eligibility framework, in terms of a right to care and access to services which is non-discretionary. The rights agenda which frames notions of entitlement is explicitly linked to an individual, needs-based funding model. Older adults and people with a disability in receipt of aged care and services represent a category of entitlement with claims to benefit based on the individual rights of these groups.

However, the right to individuality, autonomy and independence cannot and will not ensure personal identity, sense of meaning and collective and social responsibility for older adults and people with a disability. Instead, the rights agenda, in espousing the values of independence and autonomy, marginalises those who have become dependent and increasingly privatises and individualises that dependency.

The weaknesses of the rights agenda should not mean that rights need to be disregarded as a useful strategy in social policy. Rather, the rights agenda must be reconceptualised around notions of citizenship. McDonald's (1990) notion of citizenship as a capacity for action is useful. It suggests that older people and people with a disability be seen as actors, as participants, who are grounded in lived experience. Murphy's (1990) conceptualisation of citizenship is similar. Both sets of ideas attempt to link rights to some form of participation in society and suggest some context for the rights agenda. How that participation is framed is important.

10 Citizenship

For older adults with dementia, for people with severe physical and intellectual disabilities, and for people with psychiatric disabilities the policy agenda which prescribes a way of life based on normalisation and supports this through an individualistic model of practice is limited. This is a framework for entitlement which guarantees minimal levels of provision and which is eked out by bureaucratic process. Moreover, this model fails to recognise the context of the lives of these groups of individuals.

To move beyond the normalisation-way-of-life conceptualisation, social policy needs to develop a new model which offers individuals the '... possibility of controlling and defining the conditions of their personal and social experience' (Melucci, 1988: 256). This will involve a shift away from the economic and the culture of dependency which dominates these policy sectors and a move towards creative action which can begin to build a 'democracy of everyday life'.

The first stage in this process is the re-conceptualisation of the individual in social policy to embrace the notion of citizenship. The shift assumes a context for people with a disability and older adults which moves away from the individual-right-to-shop model, and begins to locate people in their cultures and histories. Primarily, a

citizenship conceptualisation of the individual assumes a context for people with a disability and older adults.

The citizenship model is not without problems. Pateman and others rightly argue that citizenship is gendered (Orloff, forthcoming). So there is real differentiation in the rights of women and other marginalised groups. People with a disability and older adults do not have access to the same social, economic and political rights as younger, able bodied people in the community. While recognising the limitations of a citizenship agenda, we believe the concept of citizenship is more useful in these sectors than an individual conceptualisation because '... benefits based on citizenship have the potential to be an important resource to subordinate groups' (Orloff: 10). Viewed in this way, citizenship has the potential to articulate common contexts, shared experiences and collective disadvantage. This is not the case with the individual model which serves to separate and isolate .

People with a disability and older adults need mechanisms which will enable them to challenge the conceptualisations of disability and ageing in social policy. The individual conceptualisation is framed by agendas of choice and need. Our argument demonstrates that these agendas fail to deliver anything more than the state wants to offer.

The citizenship model suggests possibilities because it is a way of locating people with a disability and older adults and placing them in contexts which reflect a diversity of lifestyles and cultures. For the citizen with dementia, questions of competency become less relevant, because the connection and interdependence established by the lived experience of culture and community will exist regardless of competency, over-riding the individualistic imperatives of choice and need. The Jewish and Koori communities in Melbourne have developed models of care which demonstrate that the right to identity and to a shared and common reality within those communities is enough to ensure collective responsibility and interdependence. These communities provide a framework for Jewish and Koori people with dementia which not only offers good quality care, but also provides a common thread of reality which is culturally specific and relevant. It is evidence of common context.

The Koori person with dementia who wakes to black faces and is called auntie or uncle in an institutional setting like the Aboriginal Community Elders Service in Brunswick, Victoria is clearly still connected to the Koori community and is a citizen of that community. Similarly the Jewish person with dementia who can hear Yiddish and participate in Jewish special days is also connected and linked to the living history of contemporary Jewish life. While the person with dementia may have a varying capacity to act independently, their culture and their shared experiences mean that they are still citizens: still connected, not by virtue of their explicit action but by virtue of the implicitness of who they are.

11 Culturally Productive Action

The citizenship model provides a framework for people with a disability and older adults to challenge the constructions of social policy through the establishment of links to relevant and meaningful contexts. Yet the very dilemma here is that it is even necessary to challenge social policy. However, in the same way that feminism has located women's disadvantage in social policy as a reflection of the broader position of women in capitalist society so it is equally important for people with a disability and older adults to locate and understand the contexts shaping their lives. Only from this position will it be possible for people with a disability and older adults to construct lifestyles and cultures of disability and ageing. The Jewish and Aboriginal communities have established lifestyles and cultures which facilitate a recognised context for Jews and Kooris. The difficulty for older people and disabled people is that social policy has prevented them from giving voice to their histories, culture and experiences.

There is an emerging body of work which provides a theoretical framework for a reconceptualisation of both social policy and the way of life possibilities for marginalised groups. Trowbridge's (1993) work on cultural productivity develops the idea that legitimate alternatives are emerging in the social movement activity of women, Kooris and people with a disability. This challenges the hegemony of paid work and domestic life through the creation of a third environment which draws upon the joint ideas of productivity and cultural activity.

Bottomley's (1992) material on culture and ethnicity draws upon Bourdieu's notion of *habitus* and Hall's politics of difference to argue the existence of a cultural identity. Yeatman's (1990b) politics of discourse suggest a multitude of texts which permit '... more space and flexibility as well as much greater acceptance...' (Yeatman, 1990b: 163) Pettman's (1992) work on difference explores the way that the state '...seek(s) to respond to difference in an attempt to manage and contain it' (Pettman, 1992: 107).

These works together suggest the importance of social movements, discourse and cultural identity in connecting people both to an oppositional social movement and to the fabric of '... meanings, values, traditions and practices' which '... express and constitute ... gender, class, region of origin or religion, as well as ethnicity' (Bottomley, 1992: 210).

Collectively these ideas provide the framework for Melucci's 'democratisation of everyday life' which is centrally concerned to open up questions of power and control and to provide opportunities for both representation and participation. Culturally productive action offers people with a disability and older adults very real possibilities for making the context of their lives meaningful and powerful.

12 Conclusion

Throughout this paper we have argued that contemporary social policy is fraught with tension and contradiction. In the ageing and disability sectors this tension and contradiction results in a set of ideas around work and the family providing the central context for people with a disability and older adults. Normalisation offers people with a disability and older adults liberation yet has no capacity to actually deliver. This fundamental contradiction in social policy can only be resolved if the terms of the debate begin to incorporate the reality of post-industrial society and the reality of life as an old and/or disabled person. Culturally productive action offers scope for this project. Moreover, culturally productive action can deliver for people with a disability and older adults for it is ultimately about the '...freedom to be' (Melucci, 1989: 177).

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