Unemployment, compulsion and lack of certainty

Marxists have long realised the fact that "The slave is sold once and for all; the proletarian must sell himself daily and hourly." (Engels p. 4 - question 7) and the threat to dismiss evokes uncertainty and frequently a compliant work force. Marxists interpret current insecurities of the workplace as deliberate policy intended to coerce the workforce, and the uncertainties of the system of income support as designed to discipline the reserve army of labour.

This chapter will:
• examine some of the proffered 'solutions' to the 'unemployment problem', and suggest why such 'solutions' are proposed,
• describe why governments are intent on blaming unemployed people for being unemployed,
• consider whether 'dependency' is a problem for government or whether dependency rhetoric is often governments' 'solution' to the political odium which high levels of unemployment create,
• suggest that concentrating on 'dependency' as the problem does nothing to solve unemployment or provide income security, and
• suggest that the introduction of an unconditional universal Basic Income would provide the first step towards providing a base from where we might start to identify the real employment/unemployment issues confronting Australia.

Underlying the analysis of both 'problems' and 'solutions' is the failure to trust ourselves, which in turn leaves us unable to trust others, which causes us to identify bogus 'problems' and define unworkable 'solutions'. There will be a detailed analysis of trust in Chapter 8.

The level of unemployment becomes less important if governments are able to find ways to provide all permanent residents with a Basic Income sufficient to sustain them. This is particularly so in the situation where citizens are prepared to allow people to define their own social meaning outside the paid workforce and to be willing to recognise others' evaluation of their importance to self. Australian Government policy has yet to demonstrate that this is an acceptable policy option.

Any job, anywhere, any time

On the 30th January the Minister for Employment Tony Abbot (2000) repeated his unsubstantiated assertion that any job so long as it is "not illegal or immoral" is better than no job at all. He was being interviewed in the aftermath of his colleague and Minister for Community Services Larry Anthony's announcement that people receiving any form of unemployment payment from the Commonwealth would be expected to apply for up to 10 jobs per fortnight. These pronouncements came hot on the heels of the Treasurer insisting that if growth in the economy continued for another four years then everyone who wanted a job would find one.

It is not surprising that any government intent upon disguising the fact that it is not decreasing the rate of long term unemployment with anything like the speed of its predecessor (Stromback, Dockery & Ying 1998, ACOSS 2000[a]) trots out cliches about unemployed people's indifference to finding work and all the associated rhetoric so reminiscent of the 'dole bludger'

Governments seem reluctant to acknowledge that many jobs are not liberating, career enhancing, or even sensible options for someone wanting secure employment. Many new jobs are part time, casual, of limited duration, or injurious to health; some are extremely dangerous, and some are so low paid that even full-time workers are living in poverty. Many workers are unemployed because they spent most of their past working lives employed in industries which have been phased out by tariff cuts, or where technological or market shifts have led to huge reductions in the amount of labour required.

**Definitional issues**

The failure of the state to create enough jobs for all who want them or to find ways to share all the available jobs amongst the entire labour force has come to be defined as the 'unemployment problem'. Various 'solutions' have been proffered by governments, welfare agencies, academics and others. Those who are uninformed about the complexity of this issue, and who rely upon the fact that they are employed and that they have not personally encountered difficulty acquiring paid work, frequently assert that there is not an unemployment problem. They claim there are plenty of jobs but some people just don't want to work. They seem unconcerned when confronted by ratios between people registered as unemployed and notified vacancies. Nothing in this book will convince them otherwise.

Some economic fundamentalists suggest the cost of solving unemployment is too high, attempts to lower the rate of unemployment would result in a distortion of the market, and amount to an interference with liberty. In any case they suggest, unemployment may be beyond control, beyond interest, too complicated to solve, or an externality. They suggest it may be necessary to keep joblessness at the present level in the general interest of the economy, or perhaps it is some how the unemployed's fault.

There are those who claim Australia doesn't have an employment problem, that unemployment is sectional - affecting only groups they contend are peripheral to productive processes like: the young, the old, the uneducated, those who are not job ready, people with a disability, migrants, and Aborigines. The makers of such statements seem unconcerned that the total number of people who constitute these groups exceeds 5 million.

Preoccupation with economic measurement, market outcomes, commodity prices and share market prices is the result of the widespread acceptance of neo-classical economics. Gross Domestic Product (GDP) or Gross National Product (GNP) are widely accepted as measures of a country's relative economic performance. Since the rise of economic fundamentalism such measures have increasingly been seen as measures of a country's well being. A growing band of social scientists are promoting an alternative measure: the Genuine Progress Indicator (GPI), which uses sophisticated economic theory and vast amounts of data to augment GDP by more than 20 other factors that affect well-being, including the value of household work, the social costs of crime and the impact of environmental degradation. (Throssell 2000, p.4).
If, instead of providing hourly economic statistics over which average people have no control, the press provided: a depression index, health and happiness calculations, a daily social wellbeing index, daily employment creation and job loss figures then citizens might come to understand the social and personal dimensions of joblessness and might determine to do something about it.

Possible causes

High rates of unemployment have been attributed to a multitude of causes including: down turns in the economy, too many migrants, the work shy nature of the unemployed or their lack of skills, technological change, the payment of unemployment benefits (Gregory & Patterson, 1980; Dollery & Webster, 1995; contra Manning, 1981, P.17; Patterson et al., 1983, p. 100), the nature of society - sometimes expressed as the natural rate of unemployment (contra Omerod, 1994, Ch. 6), the rise of part-time work, women (particularly those who are married) entering the labour market, the high costs of labour, or by intentional government and industry policy (Boreman, Dow & Leet 1999).

Except for the period 1945 until 1973 the rate of unemployment has always been over 3% in peace time in Australia. This was the period when Australia's migrant intake was at its highest making it hard to sustain the argument that high levels of migration on their own cause unemployment.

It is important to explain what causes unemployment. When citizens come to decide who should bear the cost of high unemployment or the cost of solving it decisions about who should pay are likely to be determined by how voters account for the creation of the problem.

Perhaps it's just that some people are lazy (Sullivan 2000). Those who suggest that it is Australians' indolence which causes unemployment would need to account for periodic fluctuations in the level of unemployment - perhaps laziness is seasonal. Keith Windschuttle (1981) in his ground breaking book Unemployment discovered that many parents were more likely to believe media stereotypes about young dole bludgers than objectively evaluate the efforts which their own children were making to find work.

Defining the problem

Some have suggested that unemployment is an economic problem, something determined by the market, by balance of trade, by cyclical downturns in business activity, and so forth. But unemployment is not just and maybe is not even an economic problem -rather it is a social, political, moral and ethical question. If it were an economic problem, capable of economic solutions then why have the econocrats not solved it? The highest levels of unemployment in recent times in Australia have coincided with the rise of neo-classical economists to the pinnacle of decision making in this country (Pusey, 1991). A thorough criticism of economic fundamentalism and its failure to solve unemployment is provided by Omerod (1994) in The Death of Economics.
If unemployment is not an economic problem but rather a political, social, moral and ethical question then being a non-economist does not rule ordinary citizens out of the debate - rather it rules them in. If people are prepared to make the social, political, moral and ethical decisions which can solve unemployment they may find they still need to utilise technical economic tactics to come to solutions but this does not necessitate embracing the ideologies of economic fundamentalists (Rees, Rodley & Stilwell, 1993; Vintila, Phillimore & Newman, 1992; Stilwell, 1993; Gollan, 1993, Kelsey, 1995). The type of economic tactic chosen to solve unemployment, for instance creating jobs in health, education and community services, will in large part be determined by the ideological positions adopted. Once citizens determine to raise social priorities above purely economic outcomes, it would not be possible to continue to ignore the costs, personal or social, which unemployment causes. It would no longer be sustainable to define such problems away as externalities. Ignoring for years the despair which constantly confronts the jobless. Waiting for economic recovery to trickle down from the rich to the poor would not be seen as socially acceptable behaviour. Citizens prepared to seek socially just outcomes could not, in all conscience, continue to allow people without work to bare a grossly disproportionate share of the costs of unemployment. There would be an acknowledgment that those who are without work don't want a job in the long run, they want one now and whilst they are waiting for a job should be provided with a secure income set at a level sufficient to ensures it would not undermine their future economic viability.

This scenario is predicated upon the belief that Australians want to live in a society which is humane, socially inclusive, committed to egalitarianism, solidarity and social justice. I may be wrong and Australians may decide to reward the clever, the sneaky, the lucky and criminal individuals. This would usher in the sort of divided society about which Professor Gregory warned in his 1995 National Press Club Address.

**The market solutions**

Unemployment, at least in the short term, is recognised by market economists to be a by-product of industry restructuring, micro and macro-economic 'reform', increased efficiency / competitiveness and globalisation. Some market economists choose to treat the resulting unemployment as an externality and therefore of little consequence. If they choose to comment upon it all, they assert that in the longer term due to a 'trickle down effect' employment demand will eventually pick up and in the long term everyone will benefit because of the increased prosperity (contra Omerod 1994, Langmore & Quiggan 1994, Boreham, Dow, & Leet 1999, Goodin, Headey, Muffels & Dirven 1999). This is the *look mum no hands approach* where by the economy is left to find its own equilibrium. Jane Kelsey (1995) and Brian Easton (1997) have shown that in New Zealand where this approach to unemployment was adopted with enthusiasm it did not solve unemployment nor did it result in increased prosperity for most citizens.

There is an even more vicious approach to unemployment than *look mum no hands*. This is the *it's their fault* or blame the victim approach (Ryan 1971, Bessant 2000) which conveniently denies that globalisation is a game which only the super rich can win. This approach has been around in many guises in Australia since the invasion. Indigenes and convicts were the first to feel its lash. The *it's their fault approach* suggests the reason unemployed people are not able to
obtain paid employment is the result of a failure on their part. This approach underpinned the worthy / unworthy / ‘less eligibility’ debates which have raged in welfare circles since the Elizabethan poor law era. It was a central feature of the post World War II 'workers welfare state' (Castles 1994) with its work testing and targeting.

Since Federation, there has been a widespread view that only some people 'deserve' State provided income support - those who are worthy. The categories of deserving clients were usually aligned with prevailing Christian sentiment, eg. widows from 1942 - yes - but not single mothers and their children until 1973. Single fathers had to wait until Margaret Guilfoyle became Minister of Social Security in the Fraser Government before they too were included. The old were worthy because it was assumed they had made a prior contribution and people with severe disabilities because it was determined that they were incapable rather than unwilling to labour. The it's their fault approach has recently taken on a new virulence. The ethos of the frontier is being applied. At the very time when Australia as a nation has never been richer more and more people are being included in compelled activity requirements. Government is increasingly demanding that those whose receive income support from the State establish their utility to the State.

**Individual pathology or social citizenship**

Instead of seeing people who could work but who choose not to as problem individuals, a social model of citizenship would conceive of this phenomena as a problem for society. The solutions sought under a social model of citizenship would centre around implementing necessary changes to society in order to incorporate such people into the workforce.

There is a need to ask:  
- what advantages accrue to society as a result of continuing to identify problem individuals and concentrate on them as individuals?
- Does the whole society benefit from this process or only some sections of society?
- Do powerless people benefit or only the powerful?

Are the solutions proffered meant to:  
- rehabilitate these problem individuals,
- punish these problem individuals,
- disappear these problem individuals from public attention,
- accept these problem individuals,
- try to incorporate such persons into other aspects of society, or
- redefine the problems which the society recognises the individual is experiencing?

Persevering with the concept of 'problem individuals' creates difficulties for society. By making 'work' whether in the market economy or 'preparedness to work' in the benefit system the defining characteristic of inclusion, society constructs its own burden. There may have been a time when Australia really did need all hands to the pump- when every person was needed in the labour market if economic disaster was to be avoided. Those days are long passed. Since the mid-1970s the market has been totally incapable of absorbing all the available labour in Australia and in many other advanced capitalist countries (Rifkin 1994).
Instead of defining citizenship (particularly the entitlement to income support) as something that is earned, it is possible to see citizenship as something which exists as a right for all born in a particular country and all who after migrating to a country meet the requirements of permanent residency (Rees 2000).

Citizenship, in its simplest form, means 'You are one of us you have comparable rights and duties as do other citizens'. It is an act of inclusion. A citizen's right to vote and other political rights can only be removed in Australia if an individual is convicted of a serious crime. But when it comes to social services entitlements take on a special targeted categorical form. Australian governments have no difficulty constraining people's access to services and income. Denying individuals access to full social and economic human rights devalues everyone's citizenship.

Confronted by human service workers who suggest the problems which most pressingly need to be addressed are the absence of decent income support and employment opportunities, governments in the United States, Britain, New Zealand and Australia assert that the problem is dependency upon the welfare state. Defining the problem in these terms almost demands the solution arrived at is the removal of, or substantial reduction in, welfare assistance.

Whilst this it's their fault approach is normally used as a weapon against impoverished individuals it can be utilised as a tool to denigrate groups of people: 'welfare mothers' in the United States, young 'dole bludgers' in Australia, and in Pauline Hanson's Queensland it was employed to marginalise Aboriginal people. Without such a blaming mechanism and such finely tuned dependency rhetoric the Howard Government would not have been able to impose its 'Dole Diary', 'Work for the Dole' schemes and its oh so Common Youth Allowance. The last of these schemes reduced or abolished payments to 46,000 young unemployed Australians (Horin 1998, p. 10).

The Hawke/Keating solutions
In 1986 Cass, who headed the Social Security Review set up by the then Minister for Social Security, Brian Howe, came up with the active society approach under this regime people who would not have passed the existing work test could still be paid unemployment benefit. Applicants needed to establish that by engaging in training or some other approved activity they were preparing themselves to escape unemployment. Cass (1988) and later Pixley (1993, contra Watts 1995[a]) argued it was necessary to maintain the intimate connection between willingness to work and income support. Both Cass and Pixley argued that this work willingness/income support linkage required the continuance of a targeted income support system.

In 1993 a Federal Government white paper entitled Restoring Full Employment declared "The loss of production through unemployment is the single greatest source of inefficiency in our economy. Unemployment is also the most important cause of inequality and alienation for individuals, families and communities." (p.1) Langmore and Quiggan (1994) produced Work for All which essentially proposed a rediscovery of Keynesian economics and a massive expansion of job creation coupled with work sharing. The Government white paper Working Nation (1994) chose not to directly tackle this "single greatest source of inefficiency in our economy" identified in Restoring Full Employment (quoted above), nor did it adopt the prescription outlined in Work for All. It opted instead to attempt to boost growth in the hope of creating more jobs and for
increased training, case management of unemployed people and a job guarantee for a limited period for long term unemployed people. By the time Labor lost office in early 1996, there had been some lowering of unemployment to 8.5% (ABS 1996) and Working Nation seemed to have for the first time since 1974 actually reduced the numbers of people who were experiencing long term unemployment following a recession (Stromback, Dockery & Ying 1998).

**Small government for people with small minds.**

The 1996 election of a new right government in Canberra constituted a massive challenge for unemployed people throughout Australia. The Howard Government on coming to office signalled its desire to emulate New Zealand's economic fundamentalist experiment. The Howard Government, like the New Zealand Nationals, came to office after a Labor Government had started down the path towards industrial deregulation, free trade, welfare cutbacks and globalisation.

New Zealand experienced an economic fundamentalist government which introduced individualised work contract employment and a social welfare system which was incapable of ensuring the poor were provided with an adequate income or decent health services (Auckland Unemployed Worker's Rights Centre 1998, Kelsey 1995).

Howard heralded an economic paradise through lowering taxes on the rich, encouraging 'mum and dad' shareholdings, privatisation, revitalising small business, making sure the unemployed met stricter activity tests, insisting migrants are not entitled to social security for two years, reducing the size of government, smashing the power of unions, individualising work contracts and watering down unfair dismissal legislation.

These features provide the back drop to the attack on the unemployed. It is always easier to blame the victims of government ineptitude than to develop truly liberating social policies and practices (Ryan 1971). The real target of the Howard Government was the industrial and award conditions of Australian workers. However the Australian trade union movement, having learnt the lessons of the New Zealand experiment, is far more resilient than its cross Tasman counterpart. Not withstanding the Patrick's show down on the wharves the Government is not yet ready for a full scale assault on the Australian union movement. This is the reason that the reserve army of labour is a major initial target.

There are sections of the media, such as *A Current Affair* owned by Australia's richest resident, who play a vital part in drumming up *bash a dole bludger campaigns* ( *A Current Affair* 19/2/96, 20/2/96, 4/3/96, 15/3/96, *contra* Littlemore 18/3/96). *A Current Affair* attacked "the Paxton Kids" because they would not move a couple of thousand kilometres leaving their friends and family behind. As has been pointed out it would seem the minimum requirement of the job that the Prime Minister be prepared to live in the Lodge but Howard has insisted he live at Kirribilli in order to be with his family (Toohey 1996).

**Conscripting the reserve army of labour.**
Marxists have long pointed to widespread unemployment as a weapon capitalists use to tame their captive workforce and hold down wages (Marx 1970 Vol 1, Chs. 10,17, 22, Bottomore, Harris, Kiernan, & Miliband, 1983 pp.422- 423). In 1991 when the Liberal Party, under the leadership of John Hewson, set out the present Liberals' real agenda in Fightback they attacked what they called "the army of the jobless" for being a drain on "Australians in work" (Liberal and National Parties 1991, p. 18).

This style of attack on those which government and industry have excluded from the labour force is a replication of the 'bash a dole bludger campaigns' waged by Labor in 1974 and the Liberals under Fraser (Windschuttle 1981). Such campaigns aim to politically marginalise those without paid work by creating a division between those segments of the working class alienated from their labour and those alienated from the chance to labour.

Labor in Government from 1983-96 was more subtle when it attacked the unemployed. They mainly concentrated their efforts to delegitimise those who were excluded from the workforce through excessively targeting labour force programs and income support schemes. Though Ministers of Social Security, like Brian Howe, were not averse to using the 'dependency' rhetoric. The real pity is that there was at the time insufficient solidarity amongst those without paid work to convert Hewson's 'army of the jobless' into an unemployed workers army (Tomlinson 1994).

In another slant on this issue in the Courier Mail's page 1 lead story on the 4th July 2000 Michael McKenna detailed, the subsequently successful, attempts by the acting Defence Minister to introduce a scheme whereby "long term unemployed people aged 18-35 will be able to satisfy their mutual-obligation requirements if they are accepted and serve in the (Army) Reserves for six months."

During the latter part of the Second World War, once the tide had turned against Japan, the Chifley Labor Government became concerned that Australian troops might return home not to a hero's welcome but to unemployment. There was widespread concern that the very people the Australian Government had trained to kill might, if confronted with the widespread unemployment which many had experienced during the 1930s Depression, start culling surplus Labor politicians. Chifley's response was:
- to attempt to ensure job creation,
- expand tertiary educational opportunities,
- set up a Commonwealth employment finding service (which became known as the CES), and
- pay unemployment benefits.
Ex-service personnel who had suffered disabling injuries were found jobs operating lifts in Department stores or as clerks in government departments.

Activists in Unemployed Workers Unions and the Australian Section of the International Workers of the World have been concerned to conscientize people to need to stop blaming themselves - turning their despair inwards (Fanon, 1963, p.248) and to understand the reason they don't have jobs is that government and industry have failed to create employment. They have taken this position because of a belief that if same fear of the unemployed which Labor leaders had at the end of the last World War could be evoked in the minds of political leaders then sufficient jobs would be created overnight to solve unemployment. Government would soon define the solutions proposed in the White and Green Papers as totally inadequate documents.
which trivialised the problems confronting unemployed people and would institute full employment programs (Committee on Employment Opportunities, 1993; Australian Government, 1994). Bessant (2000) notes that no Australian Government since Whitlam's committed itself to full employment in the sense that all wanting work will have a job.

There is another possible scenario and that is for the entire working class to recognise its essential unity and build a real workers welfare state which would ensure sharing of work, work for all who wanted it underpinned by an unconditional Basic Income (Goodin 1992). Because citizens are atomised - seeking rewards and receiving punishments as individuals - this would not appear to be a likely outcome in the near future (Department of Employment Education and Training 1998).

**Howard: the irrational agenda**

There have been blueprints suggested which could substantially lessen the rate of unemployment whilst maintaining the existing social democratic framework and utilising economic practices prevalent within the OECD (Langmore and Quiggan 1994, Boreham, Dow & Leet 1999). Yet the Howard Government seems set upon adopting an economic fundamentalist agenda not dissimilar to that set out in *Fightback* (Liberal and National Parties 1991). The privatisation of Telstra, attacks on unions and the implementation of individualised work contracts were the main planks of the first months of Howard's Government. These agendas remain apparent through by late 1999 prime attention was directed to wards the 'problem' of 'dependency' faced by those in receipt of income support. Privatisation, attacks on unions and individualising work contracts were laid out in *Fightback* and roundly criticised (Vintila, Phillimore & Newman 1992, Rees, Rodley & Stilwell 1993, Rees & Rodley 1995). Howard's ideas for the transformation of the Australian workplace have been imported from Thatcher's Conservatives, New Zealand's Rodgernomics and American Reganonomics. These ideas don't result in greater equity nor more employment, they can't be implemented without massive social costs and they are based on increasing competitiveness and often don't result even in increased production (Lateline 1996, Omerod 1994, Carlin 1996, Stilwell 1993, 1999, 2000).

Even if these ideas had worked in the 1970s and 80s they have passed their use by date if the aim is to develop a modern economy which is abreast of world events and capable of increased production without huge social costs (Rifkin 1994, Omerod 1994, Gorz 1999).

The real agenda is to reinforce the segmentation of those lucky enough to have paid employment and further divide them from those excluded from the labour market. The decision to delay welfare payments to migrants, the suggestion that because the under funded programs over which Indigenous Australians have some control have not solved all the difficulties which Aborigines and Torres Strait Islanders are facing proves they can't be trusted to handle money, that young homeless kids are getting money too easily, that the old are getting a free ride in nursing homes (contra Macklin 1998, Four Corners 1st May 2000) and that people would find work if they weren't encouraged to stay on benefits are but sub-themes. This political static has an important part to play in further alienating the voters from their inherent humanity. The first half of the main game is to attack the vulnerable - the young, unemployed people, the frail aged,
recently arrived migrants, asylum seekers and Indigenous Australians. After the Government has succeeded in convincing middle Australia that each of these groups of people aren’t worth worrying about then it will have increased the power it has available to attack its real target - decreasing the wages of all working people.

Dependency rhetoric in full swing
The incoming Liberal Government declared *Working Nation* to have been a failure and set out to demolish the training infrastructure of their predecessor. For good measure they privatised the Government employment service and dismantled the Skillshare network. By early in 2000 the Liberal/National Government managed to have the officially admitted level of unemployment come in below 7%. The Government opted for a combination of the *look mum no hands* and *it's their fault* approaches.

It might appear to the casual observer that Australian Governments are implementing a home grown employment policy. This is far from the case. As will be seen, recent changes to Australian income support policies have been influenced by social policy cutbacks in countries on the other side of the Tasman and even from the far side of the globe.

On both sides of the Tasman

Partial globalisation of welfare policies has been occurring in English speaking countries since the mid-1980s. The Australian Child Support Agency was fathered in New Zealand and mothered in England before being shipped out here allegedly as an orphan. Edwards et al. (2001 pp.66-69) also points to the influence of one of the architects Wisconsin welfare cutbacks in the early stages of this policy development. The welfare cutbacks in the United States and Britain of the late 1980s were replicated in New Zealand in 1990 and Australia in 1998. The workfare schemes of the United States have been translated into 'work for the dole' schemes in Australia and New Zealand. Clinton's 'five years and you're off welfare for the rest of your life' coupled with wider Wisconsin 'reforms' were pushed as part of the National's Social Responsibility Code in New Zealand (O'Brien 1998) and Howard's mutual responsibility programs here (Tomlinson 1997). The Chair of the Australian Government's Reference Group on Welfare Reform acknowledged his committee's indebtedness to the Blair Government's 'Third Way' and to the previous New Zealand Governments 'compelled activity' policies (*Life Matters* 29th March 2000).

'Dob in a welfare bludger' hot lines proliferate. In Australia there is an incessant search for the 'fraudulent' claimant (Nolan 1997, ACOSS 2000 [b]). Dobbing in neighbours proved so popular in New Zealand that it lead to gross inefficiencies in welfare policing.

Social Welfare benefits crime manager Joan McQuay says her team receives more than 670 calls and letters each week from people dobbing in others they suspect of benefit fraud. Social Welfare announces only eighteen people have had their benefits reduced because they did not meet work tests during the first year of the programme. 29,000 people were subject to the work tests (*The Jobs Letter (NZ) No.77, 27th April 1998 p.2*).
Economic fundamentalism is driving government economic policy in the countries mentioned above (Pusey 1991, Rees, Rodney & Stilwell 1993, Omerod 1994, Kelsey 1995, Easton 1997, Murray 1997, Stilwell 1999). It would seem logical to argue that there is an intimate connection between the economic policies prevailing in the mode of production and those prevailing in the system of distribution (Tomlinson 1989, Ch. 5).

There have always been idea transfers between countries. But something different is now happening compared with the late 1960s early 1970s. Then Australian and New Zealand social scientists avidly read journals and books, particularly from Britain and the United States, seeking the latest progressive ideas in order to attempt to improve welfare provision. Now conservative governments are looking at reductions in the social wage in each other's countries (which have been implemented without major disruption) in order they might duplicate social welfare cut backs in their own nation.

The assault upon social welfare, the social wage and industrial conditions being waged by powerful national and transnational corporations has been incorporated as current Australian Government policy. The Welfare State has also been criticised by human service and social policy critics of both the left (Gorz 1985, Stilwell 1993, Watts 1995[a], Tomlinson 1997, Rankin 1998) and the right (Murray 1997, Riches 1997, Green 1996, Selbourne 1994). It is therefore likely that without some innovative thinking there will be a continuing diminution of the social safety net which is supposed to sustain the least affluent. This is nowhere more apparent than in the way the Australian Government has chosen to treat people without paid jobs. Even within that group of policies which deal with those unable to find remuneration for their labour - the discrimination against young unemployed people stands out (Horin 1998).

**In search of the 'dole bludger'**

The Australian income support system has been preoccupied with the 'fecklessness' of those who find themselves excluded from paid employment. This preoccupation has given birth to a number of myths:
- they'd find a job if they really looked,
- they are too fussy (Abbot's 'job snobs'),
- they should shift to where the work is,
- they really are working but claiming benefits too (Brough 2001[a] [b]),
- they are not job ready, and
- the benefit system is too generous (even though many unemployed people are forced to survive on income support levels well below the Henderson Poverty Line).

**Berating the unemployed for their failure to find non-existent work**

The announcement by Larry Anthony, Minister for Community Services, that the unemployed are to have the number of jobs for which the unemployed must apply each fortnight doubled, together with an extension of the dole diary requirements makes little sense in the context of the Australian labour market where 7 people are seeking work for each job vacancy (ACOSS 2001). There are 800,000 Australian children living in homes where their lone parent or neither parent has paid employment (Reference Group on Welfare Reform 2000 [a], p.6). The 200,000 long
term unemployed have not remained without work because of their failure to fill out dole diaries or apply for 10 jobs a fortnight.

The reason people become and remain unemployed has more to do with issues such as the demand for labour, the types of skills which are in demand, the preparedness of industry and government to create jobs than with personal failures of individual unemployed people. The reasons some people do not have skills which are in demand at any particular point in history has little to do with unemployed people's preparedness to work. Many older unemployed people have work skills which are no longer in demand precisely because they had previously been in continuous employment with employers who did not foresee the need to re-skill their workforce. Many younger unemployed people have not acquired the currently desired skills because they trained for or were skilled up for jobs which have now disappeared.

Governments in Australia, New Zealand and Britain have set out to increase the job search and dole diary requirements. There has been no evidence provided in any of these countries that such requirements assist people to find work. This is in part done to discourage people who are unemployed from applying for income support.

Governments clearly they believe that some unemployed people need to be compelled to look for work. They believe that forcing people to fill out a dole diary somehow equips people to find and hold jobs. The Liberal National Government believes that forcing people to 'work for the dole' also has beneficial effects upon unemployed people's capacity to get work. They believed that making it compulsory for young people with literacy and numeracy difficulties to attend training increases their literacy and numeracy skills. The themes are remarkably constant; compulsion for the unemployed is good: and recent pronouncements indicate there is a view that it should be extended to people with disabilities and lone parents (Reference Group on Welfare Reform 2000 [a], [b]).

However this endorsement of compulsion for the marginalised, the unemployed, sole parents, people with disabilities is not a mindless endorsement of compulsion for everyone. The rich and the better off sections of the middle class are not to be coerced but rather encouraged via tax cuts, subsidies on their private health funds (Leeder 1999, Chaps.1-3), savings incentives and so forth are provided to increase their wealth. Liberals claim some historical connection with 19th century liberals like John Stuart Mills- famous for his essay on liberty. Their desire to compel is not universal.

There are problems associated with compelling people who are unemployed to meet vaguely defined 'mutual obligations'. No matter how the compliance is implemented it denigrates all unemployed people. This is because it implies that within the reserve army of labour there are some who are not only a drain on the economy by applying for the job search pittance, but also that some are not meeting their obligation to seek work.

Even if it is assumed that the Government is correct and that some unemployed people are not 'genuine job seekers' then all other unemployed people are 'genuine job seekers'. Given the massive increase in Centrelink compliance and fraud detection measures, the numbers of people cut off benefits by administrative fiat and the extensions to 'mutual obligation' requirements; the
percentage of 'non-genuine' job seekers receiving benefit would be infinitesimally small. The 'non-genuine' job seekers who have somehow managed to remain on the books are not likely to be offended by the denigration of all unemployed people. Nor are they likely to caught by such crass compliance techniques because they would have to extremely astute to avoid discovery under the current arrangements. However many of those who are desperately seeking work will be deeply offended by the suggestion they are 'dole cheats'.

Social costs and increases in violence result from government announcements which denigrate applicants for unemployment benefits. Firstly some unemployed who don't have stomach for the increased indignity which the government is heaping on them will suicide. Others, unable to confront their real oppressor, will lash out at members of their family. Some, at the point where they are 'breached' for failing to meet the latest compulsion whim of the Federal Government, will attack the officer who interviews them. They will not then be paid benefits - resulting in a short term saving to this Government. Of course the 'offending non-complier' will be jailed at 10 times the cost of unemployment benefit but that cost or a lot of it will be transferred to some state government treasury. Other unemployed people, who are struck off Job Search or New Start, will have no other option but to try to survive through illegal activity.

A 'compelling' history.

In February 1999 in his Federation Address Prime Minister Howard expanded on his concept of 'mutual obligation' and foreshadowed decreasing young people’s unemployment payments if they “continued to remain illiterate and innumerate”. Principles of education suggest that no young person wilfully and deliberately sets out to fail to learn how to read and count. There has been an essentially conservative thread running through the provision of income support provided by the Australian welfare state since Federation. It is the conservative rather than the liberal tradition which so distrusts the poor that it insists on compulsion of those who seek assistance is necessary not only for the maintenance of good order but also for the salvation of the poor themselves. This is so despite Australian welfare provisions being described, in the early part of this century by European welfare experts, as 'socialism without doctrine' (Roe 1976 p.4). The first income support payments made by the Federal Government in 1908 were age and disability pensions and until 1927 they were paid by Treasury. At the turn of the century, the age of entitlement of 65, for men, closely approximated the average age of death. In order to qualify for either the age or disability pension one needed to establish oneself as being of 'good moral character'. Such requirements remained part of the Social Security system until 1973 when Bill Hayden was Minister for Social Services in the Whitlam Government.

In relation to unemployment payments, the need for applicants to establish their essentially worthy nature has been more stark. During the 1930s Depression, in order to qualify for the Susso, men had to undertake make work schemes designed by local authorities. In many places they were also required to move from town to town each fortnight to get their rations. In the 1970s Nugget Coombs and others re-established such make work for the dole schemes on Aboriginal communities, where they continue to this day as the Community Development Employment Program (CDEP). Asian Australians (until the 1940s) and Aborigines (until the late 1960s) were not entitled to most social security payments.
The 1947 Social Security legislation brought together in one bill many payments such as child endowment, widows, sickness and unemployment which had gradually been added to the age, and disability payments. Even though this legislation for its time was regarded as progressive and comprehensive, each applicant for payment needed to establish an individual eligibility which depended not only on their fitting the main criteria but also meeting other social requirements.

Those who were unemployed, apart from being of good moral character, had to meet the work test which required them to be fit, able and ready for work. Most of the time, from the end of the Second World War until 1974 the level of unemployment remained around 1% and the unemployed did not figure largely in the scheme of things. But when unemployment, and particularly youth unemployment began to climb in 1975 Ministers of the Whitlam Government, Clive Cameron and Bill Hayden, started trotting out cliches about 'dole bludgers' and 'work shy lion tamers'(Windschuttle 1981).

The Fraser Liberal Government continued the fine tradition of blaming the unemployed for the failure of the state and industry to find a use for their labour or to educate them for the work that was available. The mutterings of Hayden and Cameron about unemployed became a tirade against 'dole bludgers' waged by Fraser Government Ministers.

Whilst the attacks on the unemployed and particularly the young unemployed were becoming shriller, there were continuing efforts to improve the comprehensiveness and generosity of other income support provisions. Given these and the Arbitration Commission coverage, Australia could, as Professor Frank Castles (1994) suggested, reasonably be described as 'a Worker’s Welfare State'.

In the early years of the Hawke Government, Minister Don Grimes expanded disability services. Brian Howe’s taking over of Social Security coincided with the start of the cutbacks in human service provision and particularly income support. It was no coincidence that unemployment was rising. The Department of Social Security in its 1986 Annual Report boasted “there was a substantial increase in the number of unemployed over the year but a substantial decrease in the number of unemployment beneficiaries as a result of increased targeting (p. 99)".

The rate of the youth unemployment benefit did not rise during the 7 years of the Fraser Government. Hawk initially increased unemployment payments to young people but was soon to lose interest in restoring the real value to the full adult benefit level they had experienced under Whitlam. The Hawke/Keating Labor Government increased targeting (tightened eligibility) and collapsed several payments into one in a way which ensured the lowest amount was paid. Usually it was the young who missed out. Howard replicated this technique with the Common Youth Allowance and his merging of the Aboriginal Study Scheme into Austudy in 1998. Also in that year unemployment payments to 16-18 year olds were abolished.

During the early 1990s, as the rate of unemployment rose, there emerged signs that the voters were taking the threat of unemployment seriously. Labor leaders stepped up the vitriol in their attacks on the unemployed and started talking about ‘reciprocal responsibility’. As outlined in the Green Paper, Working Nation, this meant that in return for income support those who were
unemployed were required to do more than pass the work test: they had to undertake training or
some other approved activity and the unemployed would in return be offered limited work, after
a year to 18 months of unemployment.

Labor had considered but rejected a general return to the 1930s Susso type 'work for the dole
schemes'. In 1998, Howard, influenced by the New Zealand conservative National Party
Government's introduction of a 'work for the dole' scheme began to implement his thesis on
'mutual obligation'. His actions replicate the cutbacks the New Zealand conservatives had made
to their arbitration and welfare systems. Conservative governments on both sides of the Tasman
have been influenced by the American 'workfare rather than welfare' rhetoric and by the fear of
'dutiless rights' articulated by the British conservative writers Green (1994) and Selbourne
(1994).

Increasing the requirements expected of unemployed people before they will be provided with
income support or decreasing the amount of benefit paid to illiterate and innumerate young
applicants for unemployment payments derives out of a deep conservative distrust of the poor. Whether it is expressed in terms of 'dutiless rights', 'reciprocal obligation', 'mutual obligation',
'getting something for nothing' or in the Australian vernacular 'bludging on the system' it
amounts to the same thing.

In Australia the government specifically singled out the young people when introducing the
'work for the dole' scheme before extending it to older Australians. Politicians, when they
diminish entitlements or increase requirements upon young people, know the approach will be
popular with older citizens because they are tapping into a general feeling that the young have
not earned an entitlement and are generally not trustworthy. There is a different order in the
Howard Government's decision to specifically target young people with reading and learning
difficulties. The people who will suffer from this policy initiative are the least skilled, least
schooled and least powerful. They often come from migrant or Indigenous communities. Many
are intellectually disabled or marginalised in other ways and are some of the poorest members of
this society. They are the group least likely to vote Liberal if they vote at all. Whatever happens
to them, they are the group least likely to benefit from the educational and technical revolutions.

The 'literacy' policy is interesting in another regard and that is its class based interpretation of
work. In Australia since the 1940’s applicants for unemployment benefit have had to show a
willingness to work- any form of work. This new policy ignores the fact that many jobs, still
needing to be done, do not require them to be done by people who are able to read, write or
count. The demand for workers to do those jobs may have decreased but such jobs still exist in
considerable numbers. This policy downgrades the dignity of all labour done by people without
reading skills.

There is plenty of work to do

Governments are unlikely to realise they have to jettison their plans to keep over 2 million
Australians unemployed, underemployed or discouraged from seeking work unless progressive
sections of the society campaign to force them to change. One of the ideas which economic
fundamentalists have successfully planted in the public's mind is that the economic cost of
abolishing unemployment would be economically irresponsible. This idea arises out of the argument that 'the invisible hand' somehow dictates supply and demand and keeps the market in equilibrium.

If activists are to convince governments to adopt new solutions to unemployment they will need to build an alternative way of relating to fellow citizens. This necessitate jettisoning many of the economic fundamentalist ideas which now clutter intellectual saddle bags. Part of the solution is develop a critique of the economic fundamentalist mind set.

Stripped of its finery economics is about how we exchange our surpluses, whereas as a science it has somehow been transformed into an economics of scarcity where everything is expressed in monetary terms. We have created the shadow of scarcity, the polar shadow of which is greed. This is fuelled by the dominant world paradigm based on rationality and self-interest. Fortunately we are not always rational and will cooperate when we really come to know and trust each other and have the power and resources to implement solutions. This is the foundation to an economics of abundance - of labour, goodwill and renewable resources (Fricker 1998, p.1).

A major obstacle which needs to be surmounted, if governments are to be convinced that they can afford to abolish unemployment, is establishing that the solutions as well as being socially useful are not economically irresponsible. Most ministers will accept that there is socially and environmentally useful work which could be, even needs to be done, the question is how to pay for it.

Of course such a change would necessitate expanding massively intellectual and productive effectiveness, Australia would no longer be able to ignore the creative ideas of its citizens or to let their creative ideas drift off shore as happened with the orbital engine, gene shears and other Australian innovations. It would mean corrupt business and the 1980s style of entrepreneurial arrogance, criminality and stupidity would need to be seen as unaffordable.

Work will need to be done to convince the public they can no longer afford to prop up the insurance / superannuation industry with ever increasing amounts of public money, when they have patently shown that without massive tax advantages superannuation is a very inefficient savings or investment process (ACTCOSS 1991, Pha 1992, Financial Review 1991, p.16). Even if it was an effective way of increasing personal wealth, there is nothing in the corporate make up of the people who decide investment priorities for the funds to suggest they would ever put long term national interest ahead of turning a quick buck for the company.

The authors of *Work for All* laid out a blueprint which could reduce unemployment to 3% in a couple of years (Langmore & Quiggin, 1994). Recently their analysis has been supported by research undertaken by Boreham, Dow and Leet (1999). Langmore and Quiggin's plans include massive job creation in the human services and environmental projects, governments becoming an employer of last resort, social and economic infrastructure developments, some redefinition of work, job sharing, humanising employment and redirecting macro-economic policy away from narrowly defined efficiency targets towards social and economic effectiveness targets (Langmore & Quiggin, Chs. 8-11). Their plans are predicated upon a Keynesian boost to the economy, the installation of a more progressive taxation regime and some borrowings. Their plans are in no
way economically irresponsible, given that budget outlays and losses to revenue as a direct result of our levels of unemployment are in the order of $20 billion annually. "The proposed net increases in government expenditure would be less than three per cent of GDP and would still leave Australia as one of the lowest taxing, lowest spending countries in the OECD, with a similarly low level of public debt" (Langmore & Quiggin, 1994, p. 144). The major shortfall in Langmore and Quiggin's analysis is that they are still tied to the idea that the poor should sing for their supper - that the unemployed should in some way justify their being provided with income support by undergoing training or study, volunteering, or making some other compulsory contribution to society. This active citizenship concept is enshrined in Labor's White and Green Employment Papers, in the Cass' review of the Social Security system, in the works of writers like Pixley and Probert and by the Liberal Government (Committee on Employment Opportunities, 1993; Australian Government, 1994; Baldwin, 1995; Cass, 1995; Pixley, 1993; and Probert, 1994, Newman 1999, Reference Group on Welfare Reform 2000 [a], [b], Latham 1998, contra Watts 1999).

There are additional progressive ways to remove the scourge of unemployment entirely which could be built upon the Work for All framework. The first step is to introduce a non-presumptuous social security system (Goodin, 1992). This would necessitate severing any link between income support and employment, jettisoning targeted income support, ending once and for ever the artificial distinctions which current worthiness based categories of assistance maintain. That is, introduce a Basic Income as the social foundation on which to set out to build a solidarity between all permanent residents of this country.

The second step is to place this nation on a peace footing by building sufficient houses to accommodate the homeless, upgrade community services to a point where Australians might take pride in the way citizens who experience disability or disadvantage are treated, ensuring educational facilities have sufficient resources to allow all residents the opportunity to reach their optimum education, expanding environmental research in order to halt species extinction and ensure a sustainable future.

The third step involves recognising that the increasing number of aged people in the Australian population will not necessarily create an unaffordable drain on public provision of retirement incomes. Such a recognition will become easier once it is acknowledged that dependency ratios - those in and those out of work - in 2040 are not necessarily going to be very different from the current dependency ratios. Many older people may choose to stay in employment longer. Australians would have to get serious about abolishing ageism and utilising the skills of all Australians who wanted to work (Theobald 1998). The adoption of universal income support in the form of a Basic Income based on the individual and which made no presumptions about social features would be integral to such processes.

To the extent that environmental problems, such as salinisation of the Murray/Darling River system can be overcome via CSIRO developed 'smart trees', economic efficiencies are created which lower the cost of rural products and hence enhance export opportunities which creates work in Australia.
To the extent Australians can ensure environmental sustainability and diversity this will enhance the prospects of increasing eco-tourism (the largest growth area of world tourism). As Australians become obsessed with the beauty of nature in this country the greater will be the number of them who choose to tour here, creating jobs locally and limiting the outward flow of capital.

To achieve this would necessitate coming to a proper reconciliation with Aborigines in relation to land, resources and the criminal justice system and recognising Aboriginal sovereignty as coexisting with other forms of sovereignty in the land mass the invaders chose to call Australia (Tomlinson 1996). In coming to find a way to recognise the sovereignty of Aborigines of their country Australians would have to come to an understanding with Aborigines and Torres Strait Islanders in relation to the rape, invasion, murder, brutality, theft, cultural imperialism, attempted genocide, and public ignorance. Something would have to be done about the criminal justice system which incarcerates far too many Indigenous people (Cunneen 2001). The money wasted jailing Aborigines could be put towards Aboriginal communities controlling the economic development and increasing the number of real jobs on their land. These issues will be examined further in Chapter 6.

Before such efforts were taken towards solving unemployment there would need to be a realisation firstly that government and industry policies cause unemployment (Boreham, Dow & Leet 1999). Secondly the solution to unemployment does not lie in economic policy but in social, political, moral and ethical choices capable of being made by Australian citizens. Thirdly solving unemployment is not without pain nor without gain and it is not only economically achievable it is an economic necessity. Langmore and Quiggin have laid out a workable blueprint which could go a long way towards the solution.

Abolishing unemployment will necessitate the development of sufficient public trust of fellow citizens as to allow for the introduction of a Basic Income, based on the individual, as the cornerstone of social welfare and labour market programs. The Basic Income policy proposed here would free all Australians to be productive. Once that was in place all it would take is the ingenuity to create sufficient jobs for all who want them or to share all the available jobs.

Bibliography

ACOSS (2001) Seven unemployed for every job vacancy — call for new strategy 27th. April. drawing on ABS Cat.5364.0 & Cat. 6202.0
Brough, M. (2001[a]) “Job Network is producing results.” Press Statement 11th April
Brough, M. (2001[b]) “Work for the Dole.” Address to the Community work Co-ordinators, Canberra
http://www.geocities.com/Athens/Academy/3142/ubinz.html#ubinz.