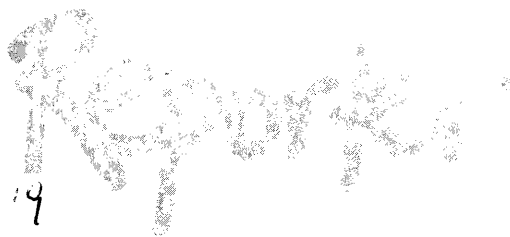


SOCIAL SECURITY



LQ/K1/8404

Including SSAT Decisions

Opinion

Welfare reform and the dangers of the valorisation of paid work

In December last year, the federal coalition government released a consultation paper entitled, *Building a Simpler System to Help Jobless Families and Individuals*.¹ This paper is the latest instalment of a process which can be traced back to a discussion paper the then Minister of Family and Community Services, Senator Jocelyn Newman, released in 1999, *The Challenge of Welfare Dependency in the 21st Century*.² This paper was followed in the next year by the McClure Report.³ After a lull of more than a year, the Coalition government then introduced the Australians Working Together package, the first tranche of its proposals aimed at implementing the McClure Report.⁴

Underlying this trajectory of change is a clear valorisation of paid work. Such valorisation appears explicitly with paid work equated with 'self-reliance',⁵ 'self-sufficiency',⁶ and 'independence'.⁷ Paid work is also celebrated as a 'major source of self-esteem'⁸ and the route to 'social inclusion'.⁹

Such valorisation poses serious dangers. It implies the stigmatisation of welfare recipients. Such stigmatisation typically occurs by counterposing the supposed virtues of receiving a wage

with the purported drawbacks of receiving state income support. The social inclusion that is, by definition, facilitated by paid work is juxtaposed with the 'social and economic exclusion' perpetrated by welfare receipt (and the lack of a job).¹⁰ Further, in contrast with paid work and the independence it promises, the receipt of state income support is seen as paving the way for 'welfare dependency'; a term which colours reliance on state income support with a strong hint of psychological weakness.¹¹

It is such sentiments that give rise to Senator Newman's categorical statement that 'a pay cheque will *always* be better than a welfare cheque'.¹² According to this line of thought, receipt of state income support is 'the trap of welfare dependence'¹³ that leads to 'a dead end with no future'.¹⁴

Such stigmatisation delegitimises the goal of adequate income support. With such stigmatisation, adequate income support might very well be a recipe for 'welfare dependency' and the undesirable attributes it brings in its wake.

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The valorisation of paid work also carries severe dangers from its neglect of the reality of paid work in a capitalist economy. Far from necessarily being the route to independence and self-reliance, workers presently engaged in paid work are, from a certain perspective, necessarily in a state of dependence. First, they are dependent on what Justice Higgins described in his famous *Harvester* judgment as 'the higgling of the market'.¹⁵ The logic of the market sees workers not as people with needs but commodities to be traded. The operation of this logic might very well consign those with the most pressing needs to the margins of the labour market.

Secondly, employees are necessarily dependent on their employer. Such dependence relates, in the first instance, to the payment of wages. Significantly, workers are also dependent in the sense that they are subject to the control of their employer. After all, such control remains the key element in determining whether an employment contract exists.¹⁶ Moreover, every employee is under an implied duty to obey the lawful and reasonable orders of their employer.¹⁷

The valorisation of paid work also neglects the implications of the fragmentation of the Australian labour market.¹⁸ The labour market has fragmented in the past three decades in that a significant number of Australian workers are presently engaged in forms of employment which deviate from (what used to be) the standard employment relationship of ongoing contracts with regular full-time hours.¹⁹

Casual employment illustrates this blindspot of the valorisation of paid work. Such employment has dramatically grown in the past decades, accounting for slightly over 70% of net employment growth in the 1990s.²⁰ While casual jobs are heterogeneous, it is clear that many of them are attended by adverse conditions. For instance, such jobs are overly concentrated in low-skill jobs.²¹ Further, the partial evidence available suggests that casual employment is not a stepping stone to ongoing employment with regular full-time hours.²²

All this suggests, at the very least, the need for a discerning approach to casual employment. Such an approach, however, is strikingly absent with the valorisation of paid work. Its view that a pay cheque is always better than a welfare cheque necessarily entails casual jobs being seen as good things for the unemployed.²³

In conclusion, the process of thinking through changes to the social security system should be freed of this valorisation of paid work. Paid work can be a route to independence etc. At the same time, the possible virtues of paid work should not be fetishised. Paid work, especially when taking the form of irregular and part-time employment, does not guarantee a living wage. More generally, paid work can be the gateway to exploitation and insecurity. There is still a meaningful distinction to be made between good and bad jobs.

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2. Senator Jocelyn Newman, Minister for Family and Community Services, *Discussion Paper: The Challenge of Welfare Dependency in the 21st Century*, 1999.
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4. See generally Department of Family and Community Services, *Government's Statement on Welfare Reform*, 2001, available at <http://www.facs.gov.au/internet/facsintern.et.nsf/aboutfacs/programs/esp-booklet.htm> on 2 January 2003. The Bill containing these proposals, the Family and Community Services Legislation Amendment (Australians Working Together and other 2001 Budget Measures) Bill 2002, has yet to be enacted into law.
5. Newman, above n 2, 8-9 and *Building a Simpler System*, above n 1, 2.
6. Newman, above n 2, 6.
7. *Ibid* 6.
8. McClure Report, above n 3, 3. See also *Building a Simpler System*, above n 1, ii.
9. Implied at McClure Report, above n 3, 4. See also *Building a Simpler System*, above n 1, i.
10. McClure Report, above n 3, 4.
11. Newman, above n 2, 6.
12. Newman, above n 2, 9 (emphasis added).
13. *Ibid* 8.
14. *Ibid* 9.
15. *Ex parte H V McKay* (1907) 2 CAR 1, 3.
16. *Hollis v Vabu* (2001) 75 ALJR 1356.
17. *Adami v Maison de Luxe Ltd* (1924) 35 CLR 143.
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19. See generally Iain Campbell and John Burgess, 'Unemployment and Non-Standard Employment' in Ann Hodgkinson, Di Kelly and Nadia Verrucci (eds), *Responding to Unemployment: Perspectives and Strategies* (1993) 83-112; John Burgess, 'Non-standard and Precarious Employment: A Review of Australian Workplace Data', (1994) 6 *Labour Economics and Productivity* 118 and Mark Wooden, 'The Changing Labour Market and its Impact on Work and Employment Relations' in Ron Callus and Russell Lansbury (eds), *Working Futures: The Changing Nature of Work and Employment Relations in Australia*, 2002, 57.
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