

# Bringing them back

**F**OR 25 YEARS Australia has endured high levels of unemployment. Hundreds of thousands of Australians are still living on the edge of destitution, in large part because they cannot find work or are underemployed as part-timers or casuals. Recent reports indicate that:

- ♦ in September 2001, 670,000 people were looking for work, seven people for every vacancy
- ♦ hidden unemployment is estimated to be as high again as the official unemployment figures
- ♦ unemployment is expected to increase significantly this coming year, following the collapse of several major companies and the effects of the US terrorist attacks.
- ♦ one in five children lives in a home where no-one has a full-time job.

These are shocking figures in a nation as rich as Australia, but it seems that we have become fatalistic and deaf to those pleading that we give the fight against unemployment a greater priority. The poor have been increasingly concentrated in depressed areas and are politically and socially marginalised.

In its latest report, *Surviving, not Living: Disadvantage in Melbourne*, Catholic Social Services Victoria depicts the distress and anxiety endured by 40 low-income people interviewed in Melbourne. The report argues that, far from choosing unemployment as a preferred way of life, these people are desperate to find suitable work so they can begin to plan their lives, settle down and support a family.

Most of those interviewed suffered from multiple disadvantages: childhood difficulties, inadequate education, lack of work opportunities, chronic ill health, insecure housing and deep poverty.

Their hardship results from the failure of economic and social policies to create enough employment. While many upper-income groups have enjoyed unprecedented prosperity in recent years, the most vulnerable groups in society have been forced to pay a disproportionate price for economic restructuring. The burden of change has fallen most heavily on those least able to carry it.

Patently, the old 'trickle-down' economic policies have failed those most at risk, who are forced to rely on social security payments to keep food on the table. Our income-support systems were never designed for long-term unemployment but for short-term transitions to once abundant work opportunities.

The poor and unemployed are now often blamed for their plight, as if they were personally responsible for a social phenomenon that is clearly structural. For the 30 years until 1975, Australia had full employ-

ment because of the demand for jobs. People will work if they can find the jobs.

Yet the federal government is currently extending its Work for the Dole programs, in the belief that the unemployment problem stems from a lack of motivation to work. No amount of coercion or incentives can fit seven people into every currently available job.

The unemployed must now meet more stringent conditions on their meagre entitlements. Instead of these punitive and coercive measures, they might more justly be offered an apology for policy failures, and indeed compensation, as has been argued by Professor Robert E. Goodin from the Australian National University's Research School of Social Sciences.

The government's 'mutual obligation' regime—for the unemployed—disguises the fact that there are no policies to restore full employment. It would seem the government has effectively abandoned full employment as a goal.

In the May federal Budget the government attempted to restore some of the \$5 billion cuts it made in 1996 to previous labour-market programs, cuts which bore heavily on the unemployed. While overdue, restoring such funds will not of itself create more jobs.

We are already experiencing the effects of policies that mimic those of the United States: growing disparities in wealth, greater crime and violence, more prisons and social polarisation. Is this the way we really want to go?

In the words of *Surviving, not Living*, current policies are 'resulting in prolonged injustice and hardship for the unemployed and other disadvantaged groups.' What then needs to be done?

First, employment must once again be placed at the top of the political agenda. For many years government policies have consistently favoured anti-inflation policies at the cost of high unemployment. Can we quietly acquiesce in another 25 years of high unemployment? The burdens of economic restructuring must be shared more equitably.

Second, we must reaffirm our values of social equity and social justice. Since the 1960s, GDP per capita has doubled in Australia, yet the benefits have not been shared fairly. In addition, the costs of unemployment to the nation have been high, estimated by some economists at \$30–40 billion a year. Reducing unemployment will improve living standards for everyone.

Third, some economists have proposed that the government make a major commitment to job-creation,

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by expanding both the public service and labour-market programs—including human services, as in comparable OECD countries. Such a strong investment could add significantly to national infrastructure and environmental protection, and restore funding to schools, hospitals and community services, to the benefit of all Australians.

Fourth, an informed policy debate is needed to establish a firm political consensus to support the taxation necessary to reduce unemployment. The role of the media will be critical here. Recent studies indicate that many Australians are prepared to pay higher taxes if they are seen clearly to reduce unemployment. A full employment levy, like the

Medicare levy, may be more politically acceptable than we currently allow.

Former secretary to the Treasury, Ted Evans, once remarked that we had the unemployment rate we chose. It follows then that the decision to eliminate unemployment is fundamentally a political and moral one, not just an economic one. Political and moral resolve is needed to determine whether Australia consolidates its values of fairness and equal opportunity, or continues to polarise into a land of 'haves' and 'have-nots'. ■

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