Who is more the fool: The fool or the fool who follows the fool?

Welfare to work requirements which began in the United states have now spread to other western countries, as Professor Evans has described, including Canada, the United Kingdom and Australia.

In Canada, as early as 1994 the Canadian National Council of Welfare reported to the Canadian federal government that the various work-for-welfare programs in the United States had been tried with mixed results. While many of them had led to increases in earnings for recipients and lower welfare payments, the end result was often that “welfare poor” families had been turned into “working poor” families (Canadian National Council of Welfare 1994, p1). In Australia, the recent reforms have yet to be comprehensively analysed, although the BSL and myself are involved in one of the first studies on the outcomes of the welfare to work policy with respect to income, time-use, social inclusion, and wellbeing for both parents and their children.

The politics of welfare

In terms of the politics of welfare, this model developed by Hartley Dean and presented in the June 2007 edition of Just Policy in Terry Carney’s article places Australia alongside the US with a coercive, individualistic, work-first approach. I have added, as Pat would argue, that several Canadian provinces shares this dubious honour
including Ontario, British Columbia and Alberta where I spent my Masters examining the health implications of returning to work as a single parent when your youngest child is six months of age. The dehumanisation, lack of dignity, complete disregard for motherhood and the complete economic rationalism of people’s lives is what spurred me to examine these same conditions in Australia’s changing welfare system – with the hope that we never go as far down the wrong path as Alberta (what I regard as the Texas of Canada).

**The Australian example**

In Australia, work requirements for ‘able’ welfare recipients have existed for some time. However, in late 2005 work requirements were introduced for single parents and the disabled. In this response I’ll focus on the changes for single parents. The welfare reform package in Australia aims to move people from welfare to work and includes changed requirements and entitlements for Parenting Payment Single (PPS) recipients where the youngest child is six years for new clients (or eight if you are an existing client) and older. ACOSS estimates that approximately 30,000 single parents will be affected by these changes. Three relevant aspects of these changes are:

- first, the increased obligation to participate in work or other agreed activities;
- second, a lower base payment and the tighter income test, plus loss of other concessions that most will encounter over time, and;
- third, measures to help people into work including increased places in child care, the job network, vocational education and training, and so on.

These changes have applied to new applications as of 1 July 2006 onwards.
The previous government described benefits of employment for people affected by the welfare reform as “higher incomes”, “better participation in mainstream economic life” (Costello, 2005, p.3), and improvements to “wellbeing” (Commonwealth of Australia, 2005, p. 132). Centrelink (2005, p. 2) also asserts that “paid work provides not only the money to live on and raise a family, but also improves self-esteem and provides a connection to the community”. However, these benefits are yet to be demonstrated and overseas experiences of welfare-to-work programs show mixed results.

One pre-welfare reform warning, however, is provided by Peter Butterworth and colleagues (2006) from the Centre for Mental Health Research at the ANU. They studied hopelessness, demoralization and suicidal behaviour against the backdrop of welfare reform in Australia using ABS data. Their findings indicate that likelihood of lone mothers on welfare reporting suicidal ideation was five times that of lone mothers not reliant on welfare. How these figures will change (and one would hypothesize increase) given the new welfare requirements is yet to be investigated.

**The experience of single parents**

Baseline data collected from single parents as part of our study will be the first of its kind to seek information directly from single parents on welfare regarding their mental, financial, emotional and physical health. A pilot study did, however, find that self reported quality of life was significantly lower than the national average, even after controlling for income.

Evidence from both Australia and overseas shows that single parents find the transition from welfare to work transition especially difficult as they must combine employment with caring responsibilities (Baker & Tippin, 2002; Walter, 2002).
Research suggests that lack of time with children is a major problem for single parents entering the workforce, and one that may lead them to return to welfare benefits (Cook, Raine & Williamson, 2001; Cook & Marjoribanks, 2005). Other studies have also confirmed that returns to the welfare system, in whole or in part, are common and are determined by factors such as social isolation, child-care responsibilities, limited human capital, and financial strain (Baker & Tippin, 2002; Walter, 2002). Such factors may hamper attempts to improve the workforce and social participation of single parents on welfare.

Qualitative studies of single mothers’ experiences of moving from welfare to work have also documented low wages, few job advancement opportunities, and continued reliance on welfare and family for additional financial and in-kind support, such as health insurance and childcare respectively (Litt et al., 2000). For example, while on average single parents in paid work have higher incomes than those reliant on income support, Australian research has suggested that consistent with international findings, labour market participation by single parents does not necessarily ameliorate poverty (Walter 2002).

Where to from here?

In Australia we are just beginning the experience of welfare to work. How the welfare system will look at the end of the new government’s first term is yet to be seen. While fairness for workers was a key election issue, the fairness of the welfare system did not and still does not enjoy the same political currency. As welfare-to-work programs have typically been introduced to rein in government spending, it is somewhat fanciful to imagine a rollback of existing welfare to work requirements in the current economic climate.
In his opening of the first session of parliament on Tuesday, Governor General Michael Jeffery (2008) made no mention of welfare recipients when outlining the priorities of the new government. In a questionnaire conducted by the Council of Single Mothers and their Children (2007, p. 1) prior to the election, the Labor Party stated with respect to welfare to work, “Labor believes in the value of work. People who are gainfully employed are socially and economically better off, and the community is better off when as many of its members as possible are participating in the workforce”. As Pat has demonstrated in Canada, however, the precarious nature and quality of employment for single parents is of concern. If the welfare to work system continue in Australia, as looks likely, the experiences of single parents are likely to be contrary to the benefits of welfare to work touted by the previous government with respect to higher incomes, better participation in mainstream life and improved wellbeing.

In conclusion, evidence of the financial, social and health impacts of these welfare policies is urgently required. These findings must be placed in light of such issues as social cohesion, social exclusion and productivity in order to gain political currency and ultimately change the welfare system to provide a genuine safety net for single parents. The lessons (not yet) learnt in other countries needs to be taken on by the Australian government despite a growing tide of individual responsibility and a return to a moral approach to welfare.
References


