# *Precarious employment, workfare and social protection for disadvantaged women in Australia: international implications*

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**Workshop 31: Workfare**

## Objectives

This paper presents the findings and analysis from the evidence relating to two research questions:

Do low paid, precarious jobs lead to better paying, more secure jobs and provide a pathway out of poverty for disadvantaged women?

How effective are *workfare / welfare- to- work* strategies in placing disadvantaged women in employment that alleviates poverty?

The first part of the paper sets out the policy background that engendered these research questions. The second part addresses the two research questions using secondary international and Australian sources. The third part seeks to relate this evidence to the lived experience of a group of disadvantaged women in Melbourne, Australia, who are attempting to gain a foothold in the job market in the context of current *welfare reform* and *welfare-to-work* policies. The final section of the paper sets out several proposals for policy reforms and readjustments which take account of the evidence provided in this paper. It suggests where major rethinking of the assumptions driving policy needs to occur. These proposals will be relevant to a wide range of countries.

## Part one: Policy background

It is an enduring notion in social welfare policy in Australia and other countries especially in the English-speaking world, that getting a job, any job is the best route of poverty. The extension of the idea is that a low end job is a stepping stone to a better paying job. These are tenets of both the major political parties in Australia and the wider community of interest of the social welfare sector. Indeed, this idea has meant that much of the effort of social welfare agencies in recent years has focussed on placing welfare clients in jobs through employment programs including case management, training, work experience and other forms of job preparation assistance. In Australia, social welfare agencies are major providers of such services since divestment of these activities from the national government in the 1990s.

The idea of moving welfare clients into employment is an attractive one to governments because of its promise of reducing expenditures and numbers on social welfare payments. It also fits an ascendant anti-welfarist policy agenda over the 1990s and '000s, as promulgated in the writings of Charles Murray (1999) and Lawrence Mead (1997, 1992, 1987) which assert that welfare, as the suite of income support and other measures designed as the safety net for disadvantaged people, has had contrary outcomes in exacerbating poverty and welfare dependence. Hence, the logic asserts that welfare should be minimised as well as rendered heavily conditional and difficult to access, with the effort focussed on hastening welfare clients into paid employment through coercive measures. As is well- documented, Murray and Mead provided the intellectual foundations for the development of American

*workfare* policies of the 1990s (Standing, 1999, pp 318-319) and have arguably informed social welfare policy in Australia and elsewhere.

In July 2006, *welfare-to-work* was introduced in Australia as an extension of existing *welfare reform* policy commenced in 1999. While there had been for many years rigorous requirements on the conventionally-defined 'unemployed' to search for work, the 2006 policy extended these requirements to groups for whom there had previously been a commitment to largely unconditional social protection - namely single mothers with children under the age of 16; and disabled people. The new *welfare-to-work* policy was quite similar to the *workfare* policies introduced in the United States in the early 1990s. It also built on the long standing objective on both sides of politics of *mutual obligation* and *welfare reform* to move Australian welfare clients from 'passive' income support to 'active' assistance with a view to labour force participation for as many welfare clients as possible.

The introduction of *welfare-to-work* in Australia coincided with a period of very high employment growth and the lowest unemployment rates since the 1970s. This provided legitimacy for the policy (Australian Government, 2005). The Government rhetoric insisted that there was never a better time to get a job and that a job was better than welfare (Australian Broadcasting Corporation, 2005). The labour market had been increasingly deregulated to enable high levels of flexibility coupled with active policies of wage restraint, particularly the Federal Minimum Wage, aimed at ensuring entry level jobs for the unemployed (Fair Pay Commission, 2008). There was a fundamental reshaping of the institutional devices around wage-setting and the role of unions in collective bargaining. Adequacy of wages, which had been a cornerstone of Australian industrial relations policy for 100 years (Thomson, 2000, p82) was downgraded as an objective in the pursuit of greater labour flexibility and jobs growth.

Thus *welfare-to-work* and its precedent *welfare reform* became entwined with an increasingly flexible labour market in which, by 2004, around one quarter of all employees were in casual, precarious jobs without industrial protections or entitlements (Australian Bureau of Statistics, 2006). The challenge for those caught by *welfare reform and welfare-to-work* policy would be to obtain work which offset the disadvantages of losing welfare payments just as the pool of well paying, protected jobs was diminishing. It was also a problem for welfare agencies which attached objectives of poverty alleviation to job placement for their clients.

The central problem emerging in recent years for welfare agencies was the low pay and the poor quality of the jobs that their clients could obtain. The promise of lifting disadvantaged welfare clients out of poverty on a sustainable basis through paid employment remained unfulfilled for many. The study that I undertook over the last 12 months, for a large Melbourne based social welfare agency, Melbourne Citymission, arose out of the experience of the agency in poor outcomes in terms of sustainable, long term improvement in the lives of its clients, an experience consistent with that of other agencies. The client base consisted of a high proportion of disadvantaged women – young women most often from a

background of homelessness; single mothers; some older unemployed women; and some with disabilities of varying degrees of severity. Hence the study had a particular focus on women.

The study, which is a precursor to a longer term study, sought out evidence from Australian and international research and undertook interviews and focus groups with over forty women using the Melbourne Citymission services. The study is acknowledged as an exploratory one, with a small sample, and its conclusions and generalisations are heavily qualified in this light. Nevertheless, the strong consistency between findings from the direct research conducted with women in this service setting and the international research evidence lends considerable weight to the paper's key argument that workfare/welfare-to-work policies are ineffective because they are founded on the erroneous assumptions that getting a job is the best path out of poverty and that a low paying job will quickly lead into a higher paying job.

A major report has been prepared (Sheen and Carter, 2008) and is forming the basis for a wide range of advocacy activities on the issues that it raises with the Labor Government elected in November 2007.

**Part two: 'Stepping stone' jobs and workfare**

The two major research questions for the study were identified as:

Do low paid, precarious jobs lead to better paying, more secure jobs and provide a pathway out of poverty for disadvantaged women?

How effective are workfare / welfare to work strategies in placing disadvantaged women in employment that alleviates poverty?

This section attempts to bring together a range of secondary research evidence to shed light on these questions.

*Do low paid jobs lead to better paying jobs?*

In the first instance, the OECD provides a generalised picture of the situation across its member countries. Its analysis undertaken for the 2003 Employment Outlook publication provides quite robust evidence that low pay is a trap for many (OECD, 2003). Over a five year period it shows that low paid persons in the first year are likely to experience 3.1 years of subsequent low paid work in Europe and 3.6 years in the United States (p95).

In Australia, insight into the question is obtained through a large government-funded, longitudinal study undertaken by a research centre of the University of Melbourne entitled the *Household Income and Labour Dynamics Australia* (HILDA) survey (Melbourne Institute, 2008). Commenced in 2001, it involves almost 8,000 households and 20,000 individuals. Interviews with adult members of households are conducted annually. It constitutes a major

dataset for Australian social research, enabling tracking of individual trajectories in the labour market over time.

There are two perspectives emerging from the HILDA data – which could be characterised respectively as the 'half glass full' perspective and the 'half glass empty' perspective. For the former Government, the HILDA survey provided evidence to support its arguments for a suppression of increases to the Federal Minimum Wage. In its submission to the new wage setting body, the Fair Pay Commission, it optimistically asserted that:

> *(HILDA) results confirm that over a half of all low paid workers make the transition from low to higher pay within one to two years while less than a quarter are in low paid jobs three years later. More than 80 per cent of low paid workers are still in employment three years later*.

Equally, this statement can interpreted to mean that almost half have not made a transition to high paid jobs within one to two years. At the same time, it is possible after three years that many are not in any job or are still in low paid work.

Analysis of HILDA data by an independent social researcher (Watson, 2007) is more direct and illuminating, finding a rather more complex position than suggested by the former Government especially in relation to the employment trajectories of women. Watson finds that between 2001 and 2005 for the HILDA survey:

- *The lowest paid jobs, at the Federal Minimum Wage did provide a bridge for some but that*
- *A large pool is still in the bottom 20 per cent of incomes,*
- *That women are more likely to shift from low wage employment to not-in-the-labour force status.*

This latter point is particularly important for welfare clients where there may be a process of cycling between low wage work and social welfare payments. This is also a point picked up by the OECD in its analysis (OECD, 2003, p95).

The complexities and heterogeneity of the mobility patterns from low wage to higher wage employment are explicated by a meta-analysis of international data undertaken by the National Institute of Labour Studies in Adelaide (Richardson 2003, p37). It finds:

- *There is considerable variation in the degree of wage mobility across selected OECD countries: policy probably matters;*
- *Quite a large fraction of low wage workers cycle between low wage jobs and no jobs;*
- *Youth have higher levels of upward mobility than do older workers;*
- *Upward mobility is higher for men than for women, and for more educated workers;*

- *Thus, for older, less educated and female workers, low wages are likely to be a trap rather than the first step on the ladder.*

The research evidence cited here suggests that a significant group appears to be 'trapped' in low wage employment for considerable periods and some for the very long term. Mobility is more constrained for women than men, according to international data collated by the OECD (2003), Richardson (2003), Australian specific analysis of HILDA data (Watson, 2007) and Canadian specific data supported by a study of movement out of low paid work into higher paid jobs in Canada (Saunders, 2005).

However, there is a lack of clarity about the particular issues disadvantaged women face in terms of low wage, precarious employment. This gives a particular importance to qualitative research such as undertaken in my study for Melbourne Citymission. This qualitative material is presented further on in this paper.

The question of movement from low wage to higher paid employment is a critical one when social policies of *workfare / welfare-to-work* are founded on this premise. Given that the data highlights that mobility is particularly constrained for women where educational and other disadvantages apply, the research evidence for the effectiveness of *workfare/welfare-to-work* is of particular interest.

*Are workfare / welfare- to- work strategies effective in placing disadvantaged women in employment that alleviates poverty?*

In Australia, most evaluation of welfare reform or activation strategies focus quite narrowly on the immediate outcomes of the program intervention in terms of whether a job was obtained. It is necessary to go to the international data which have been evaluated more consistently over time than in Australia.

A thorough review of the United States experience has been undertaken by the Australian Institute of Family Studies (AIFS) (Gray and Stanton, 2002) and the London School of Economics (LSE) (Waldfogel et al, 2001) looking back to the experience in the 1990s.

Both reviews show that US Welfare Reform succeeded in reducing welfare dependency amongst single parents by the end of the 1990s and early '000s. The LSE work (Waldfogel et al, 2001, p15) shows that the welfare case load of single parents fell by half between 1994 and 1999 and the labour force participation rate for this group grew by 10 percentage points. This was a result of the high level of compulsion in the policy which effectively forced this group to take jobs. It was also successful because jobs were available for single parents to take due to high economic and job growth.

The question as to whether US Welfare Reform led to improvement in poverty levels however is another story and quite a complex one. Both reviews of the policy concur that poverty was a continuing issue for many single parent families. In 1999 according to the AIFS research, the poverty rate for children in single parent families in the US was 42 per cent as opposed to 17 per cent for children in the general population. The critical factors in

continuing poverty despite workforce participation were low wages and low levels of job security (Gray and Stanton, 2002, p13).

There are mixed observations about the effects of welfare reform with notes from the studies including:

- A high proportion of jobs are obtained in the services sector and often involve working night shifts, or have irregular and unpredictable hours (Acs and Loprest 2001, quoted in Gray and Stanton, 2002, p 15)
- Ambiguous outcomes in terms of children's and adolescent's well being (Gray and Stanton, 2002, p17)
- Inconsistent and inconclusive evidence regarding mother's health and well-being (Gray and Stanton, 2002, p15).

A systematic review of the effectiveness of United States *welfare-to-work* programs under the auspice of the Campbell Collaboration for the social sciences (simulating the Cochrane Collaboration in the medical field) has been undertaken by a team Norwegian social researchers (Smedlund et al, 2006). The researchers interrogated a very large range of data bases examining results of randomised control trials, quasi-radomised trials, or cluster randomised trials of welfare-to-work programmes. In comparing the outcomes across indicators of job outcomes, earnings outcomes, welfare dependence and welfare payment between control groups and those in welfare to work programs, the authors concluded that (Smedlund et al, 2006 p3):

> *the welfare-to-work programmes in the United States have shown small, but consistent effects in moving welfare recipients into work, increasing earnings, and lowering welfare payments. The results are not clear for reducing the proportion of recipients receiving welfare.*

The researchers estimated that:

- *an average of 33 welfare recipients had to receive one of the work programmes in order to predict that one more of them would be employed.*
- *the programmes reduced welfare payments from $21,719 to $18,777 across all programs. The researchers estimated that on average 27 participants had to take part in a programme in order to get one additional person off welfare.*
- *the mean earnings across all the intervention outcomes (2005 US dollars) were $11,021 compared to $8,843 for the control groups.*

Single parents have also been the focus of social policy intervention in countries of the European Union. In most member countries, policy has been more explicitly linked to poverty alleviation especially for children than in the United States which has been more strongly linked to a moral imperative around independence and the work ethic.

A recent review of the impact of welfare policy for single parents in a number of EU countries has been undertaken (Skevik, 2006), examining the evidence from Sweden, Denmark, Finland, Norway, Germany, the UK and the Netherlands. While each of the countries has quite a different policy profile on the issues, a number of conclusions could be drawn from the overall experience:

> *Higher levels of employment amongst single parents did in general mean a reduction in poverty*
>
> - *But this was not automatic – it depended on the social context, on the type of work available and on the wage level.*
>
> - *There was no consistent evidence that 'activation' policies (welfare to work) had much effect where these were pursued in the UK, the Netherlands and Norway as compared to where they were hardly pursued at all in Germany, Sweden, Finland and Denmark* (Skevik, 2006, p232).

Altogether, there is strong consistency in the international research evidence of the very limited efficacy of *workfare/welfare- to-work* strategies in reducing poverty and welfare dependency. The US experience suggests that they can be effective in enforcing workforce participation where coercive measures are in place, but not in terms of alleviating poverty.

In the next section, we turn to the 'real life' world of disadvantaged women dealing with *welfare-to-work* and other *welfare reform* policies in Australia and the interactions of the policy when precarious, low paid work is the only work available.

**Part three: The lived experience of precarious employment and workfare**

*Overview*

The focus groups and interviews with over forty women as Melbourne Citymission clients sought to explore experiences of the job market and how this experience related to the social policy and labour market settings discussed above. It is qualitative material helping to link policy perspectives to lived experience. One of the purposes of the study is to urge a reawakening of a social policy in which *lived experience* is a core component of the evidence-based approach to policy development.

Yes, the women said, there were jobs available but many of these were of such poor quality that they were not able to provide a route out of poverty and welfare. Entry level jobs for the women in the study were in casualised and precarious sectors of employment such as cleaning, manufacturing, warehousing, aged care and retail. These jobs, they said, afford no security, no guarantees of moving into more secure employment and are, most significantly, hostile to demands of family and caring due to changing shifts and family-*unfriendly* hours. Child care could not be organised around these conditions.

*Shiftwork, unpredictable hours, high intensity work*

Many of the jobs, the women in the study noted are accessed through intermediary agencies such as labour hire companies. This means that the worker is sent to different assignments in different locations depending on demand. In other situations, companies themselves managed the labour hire process through keeping people on rosters and calling them in to work shifts at odd hours.

The women complained of 'split shifts' which could involve working a shift in the morning and another in the late afternoon. This was a particular issue in retail work in large stores and shops where shifts could be as short as 3 or 4 hours. Aged care, another popular area for work, often involved shifts starting very early in the morning and resuming later in the day at peak times. But this was also a practice in some warehousing and manufacturing industries.

Two women, single parents under compulsion to find work as their eligibility for welfare payments was coming to an end, describe the frustrating and demoralising experience of trying to find a job under these conditions:

> *You're never guaranteed an any length of time job. A few of the agencies – I worked for (labour hire company)… one week at (clothing manufacturer) joint then the next week I worked 2 days at (company) all through the same agency - then they had no more work. So then the next week I worked at (company) in (Melbourne suburb) and that lasted for 2 weeks – that was supposed to last until March next year ……Now we were guaranteed that and we signed the form and everything and then at the end of the week they said 'oh… we've run out of work and we won't have any work for a week'…..*
>
> *So end of week come, I ring (labour hire company) and they said 'no they haven't rung us yet, there's no work yet'. They didn't ring me until I had started with this other joint (logistics company), for me to go back there, that was about five weeks later. They expect you to just sort of hang around – and wait for the phone to ring. It's wrong, they just have one week here and one week there.*

Another woman in a similar situation said….

> *With casual employment, you can be driving down the highway and get a call and told it has been cancelled….You can be called at the drop of a hat…. You could be sleeping …. And get a call to come in…. just part and parcel of what you have to do these days…a lot of pressure on your family … you have to 'be there in an hour'…run out the door and go….you have to grab your boots and go…*

The constantly changing work schedules were also linked to high intensity work regimes. Many women reported on the high speed required to meet performance targets in different industries. In warehouses, for example, orders have to be stocked from a fast moving

conveyor belt requiring a high level of speed and accuracy. Or in aged care residences, a number of women reported having to rapidly feed large groups of frail, elderly people without time to take account of individual needs.

*Balancing work and family*

Well over half of the women in the study had caring responsibilities. By far the most significant issue in terms of finding and keeping a job related, not surprisingly, to family responsibilities. Being a lone parent was a significant source of discrimination. Many thought that they had little chance of getting an ongoing job. Comments from women in one area included:

> *For shift work, they say 'if you have children don't even bother applying because it won't suit you'. They want you to work 12 hour shifts.*
>
> *As soon as you open your mouth and tell them that you are a single mother their faces change.*

The pressures on single parents were invidious. One single mother with three children put the problem succinctly:

> *The thing is you want to do the right thing…if you have kids you should be there for them… not other people. That's what I was brought up to believe. You can't win. At 6 or 7 they are still babies, they need you.*

The mothers in the focus groups were anxious about being adequate parents and felt that work requirements compromised this. In some cases this had significant implications for their children's welfare and implicated them in possible custody battles with the children's father or in terms of problems with state welfare systems. Time pressures were a major concern and these often had far reaching impacts on children in single parent households.

The flow on effects to children of the requirement for single mothers to work was of great concern and a number of women felt that their kids were suffering as a result through lack of care, support, help with homework and disruption to a stable family environment. Many of the women noted that they had little extended family support to help with child care. Child care was inadequate and expensive.

Many of the women felt that in taking a job, they were in a catch 22 situation due to possible losses in fringe benefits and withdrawal of social security payments. In addition, costs of child care made working hardly worthwhile and potentially made women worse off as the following typical comment showed:

> *If you don't have a big family network you end up chewing up all your money on child care.*

There were significant problems in managing shift work also:

> *If you have to take time off for children they put you to the bottom of the roster and someone will take your place. .. you won't hear from them again… (Focus group participant, mother with children)*

*Making work pay*

A question was posed as to how much did the women think they would need to earn to make work pay. Answers across the groups coalesced around $25 to $30 per hour which is around twice that of the Federal Minimum Wage in Australia currently $13.74 per hour. Young women in one of the groups – these young women had no family support - mentioned *$20 per hour, 8 hours per day, 5 days per week.*

A couple of women mentioned that they needed to earn between $800 to $1000 per week to make work pay. This is again around double the weekly Federal Minimum Wage of $522 per week.

While only indicative or anecdotal material, it is fair to assume that the women in the study had a very good notion of the sort of pay rates available for any jobs that they applied for and how much they needed to make work pay. We should also recall that these women are living on very constrained incomes and have a finely tuned notion of the costs and the opportunity costs of various activities in their lives.

*Job mobility*

The focus group research also sought out the perspectives of participants on whether they thought that getting a job, any job, would lead to a better job. As discussed earlier, an assumption behind Government policy is that once a job, any job, is obtained better jobs will follow.

It was revealing that the women in the study in general had not very well developed thoughts about this, being so focussed on transition to work issues and problems at hand however there were some insights that are revealing. Various comments included….

> *A casual job can get you a permanent job but…. someone has to like you*
>
> *If you have a job it builds your confidence*
>
> *If you are in a job that is how you get a job*

However, it was noted that casual arrangements and shift work with high turnovers means that it is easy to get sacked. The young women mentioned that youth wages in fast food outlets led to a quick finish to the jobs once adult or higher level junior wage rates were required.

One woman made a pointed comment about mobility out of low end, casual jobs,

> *You get stuck, you are in a casual job …doing whatever job and looking after kids. How is it going to lead to a better job?….. If I am cleaning toilets for the next 6 months how is that going to make me a rocket scientist in the next 3 years…*

A single woman in her mid 50s, no longer with parenting responsibilities, lost her permanent job in a clothing manufacturing company eight years ago and has been unable to find ongoing work since. Despite being fit, healthy, competent and personable, her entire work history for the last 8 years has been in casual, shift work arrangements…. a great source of frustration and anxiety. She described a week to week existence and the constant worry of finding money to pay the rent for her flat. Indeed, her story points to the *downward mobility* for some women, particularly older women, which is an alternative story of the flexible labour market that receives little attention.

Women in the study concurred that employers tend to churn through staff rather than develop long term relationships. The employer of one woman received a wage subsidy for her. However when the subsidy ran out after 6 months she was told by the employer that *she was not really working out* despite being called back to work at a later date for a busy period.

A young woman made an incisive comment about casual, low end jobs as a stepping stone to better paid employment…..

> *You need to be careful though. If they (the employer) sees you have had a lot of casual jobs it can work against you… you can't stick at a job.*

For most women in the study, there was little sense that a low paying, precarious job would be a stepping stone to a better job or that that there would be marked improvement in their social and economic circumstances. Indeed many held a view that their circumstances could get worse as mechanisms of social protection were withdrawn.

*Comment*

A striking finding was that while it was the case that there are jobs 'out there' for disadvantaged women, for the most part these are casual and precarious jobs that enable employers to evade a 'standard' employment relationship in which the worker will have a level of job security and entitlements to occupational benefits such as sick leave. This fits

with the fact that around 30 per cent of employed women in Australia are casual employees (Australian Bureau of Statistics, 2005) as opposed to 22 per cent of employed men.

Casual employment is defined by the Australian Bureau of Statistics as employment which does not include cumulative sick pay or holiday pay. In Australia, it is a particularity of labour law that employers are allowed to employ staff on an ongoing basis without providing in-work benefits such as cumulative paid sick leave. These benefits are purportedly to be compensated by a 'loading' on the hourly rate of pay but of course rarely adequately do so. Workers can be employed indefinitely by the one company without accumulating any entitlements and can be dismissed at an hour's notice. The widespread use of labour hire companies by companies also facilitates casualisation of the labour force.

Casual employment, as it is defined in Australia, is a subset of a more generalised notion of *precarious employment* which as a concept receives little attention in Australia in contrast to France where it is much more an established area of public policy debate.

Considerable work has been undertaken by researchers for the European Commission (Frade et al. 2004) about precarious employment and a number of indicators of precariousness employment have been suggested which were relevant to the women in my study:

- low income quartile (low wages)
- bad physical environment
- job tenure less than one year
- working unsocial hours
- fixed term contract
- low job content (boring, repetitive, lack of control)
- harassment in the last 12 months
- high degree of foreign regulation

Frade and Damon (2005) in a related research paper, point to how such precarious employment arrangements (p116) lead to an *'insecurity and risks transfer chain* which involves ….. *at least double and sometimes multiple transfers of business risks.* Business risks are finally transferred into employment and work related insecurity and risks for the staff hired to deliver the service. The employment experiences of women in the Melbourne Citymission study were consistent with this proposition. With the loss of social protection by *welfare-to-work/workfare* policies there was no default protection through labour market participation. Rather social and economic risks were amplified.

The greater level of social and economic risks created by requirements to take up low paid, precarious jobs were in evidence in the women's reports of stress and distress because of the poor quality of the jobs in which they work, combined with an overload of care and work responsibilities; a sense of subjugation and powerlessness; insecurity across many dimensions of their lives; a strong feeling of being morally compromised around their care responsibilities; and a sense of hopelessness about the future.

These experiences are reported in other research. Loxton (2005, p 42) found in focus groups of single mothers as part of the Australian Longitudinal Study on Women's Health that *hopelessness and insecurity* about the future was a significant feature of their feelings especially in relation to their financial situation. Another Australian study (Cook and Majoribanks, 2005) of low income women identified *scrutiny, marginalisation, surveillance and stigma* (p18) as integral to their negative experiences of social policy especially as it was delivered through the public social policy delivery agency, Centrelink. In the UK, a qualitative study of low income working families highlighted the issue of *moral compromise* for women in regard to caring responsibilities and work (Dean, 2001, p 275). In that study, as in my study, women experienced a real tension between their innate desire to prioritise their care responsibilities and the policy or economic requirements to participate in paid work.

These aspects of the *lived experience* constitute an important dimension of the outcomes of social policy and need to be accorded greater weight in evaluating social policy. In the case of contemporary *welfare-to-work* policy in Australia and other countries, it appears to have crossed a line as a sustainable and humane policy formula for disadvantaged women when precarious employment is the main employment option.

The following section outlines the policy reforms needed.

**Part four: Sustainable policy settings for disadvantaged women**

The first task is to accept the evidence that a high proportion of disadvantaged women do not progress from low paying to higher paying jobs and some women, such as older women, can go backwards in occupational status and pay. In addition, many women cycle between low pay work and welfare. Hence raw 'work first' approaches are limited in efficacy in building bridges to economic prosperity for many disadvantaged women. More sophisticated remedies to poverty and welfare dependency are needed. In this regard, there has been growing recognition in both the UK and USA of the limitations and failings of *workfare* programs (Bloom et al, 2002, p2) leading to the trial, with control groups, in a number of locations of new generation Employment Retention and Advancement (ERA) programs. These programs involve support for welfare clients which:

- extends beyond the return- to- work phase into the in-work situation, especially for single parents;

- focuses on the long term prospects for retention and advancement in jobs;

- takes into account the care issues, and work and care orientations of the client;

- develops strategies for retraining and education to equip women for better quality and better paying jobs.

Evaluation findings of the ERA program trials to date have produced generally (but not always) favourable outcomes (Navarro et al, 2007, p ES 8; LeBlanc et al, 2007, piii, Dorsett et al, 2007, pp 116-119) and show a way forward for *workfare* type programs. Of course, ERA programs will require significantly greater levels of public expenditure than mainstream 'work first' *workfare* type programs which will be a challenge for their widespread adoption in Australia and elsewhere. Governments will need to be convinced of the advantages of long term solutions to welfare dependency that require greater levels of investment.

The second task is to accept that for certain groups such as single mothers, *work first* approaches in social policy through *workfare/welfare-to-work* are counterproductive. Reports in my study of children falling behind at school, family stability disrupted, and mothers reporting depression and high levels of stress and distress suggested a magnification rather than a reduction of social problems all of which are ultimately a cost to society and governments. These findings were entirely consistent with the experience of *workfare* in the United States. Of course, efforts should continue to assist women to find sustainable, well-paid work and in this regard ERA programs which entail more humane and family-friendly approaches are important. However, policy needs to embody choice rather than compulsion for single mothers. Adequate levels of social protection should be afforded to them and their children on the basis of the social contribution embodied in caring work and the raising of children.

The third task is to recognise that the low end, entry level labour market has evolved to embed social and economic inequality for certain groups through extreme forms of precariousness rather than providing the first step on the ladder to social and economic advancement. While policy has supported the goal of labour market flexibility as the foundation for jobs growth, it has then served to entrap certain groups in an invidious web of precarious employment from which there are limited exits. The result is a social system in which some groups have very high exposure to insecurity and risk, as well as low wages, compared to others.

Public policy and the labour laws it reflects, need to set boundaries around labour market flexibility and employment practices which embed precarious employment as a form of competitive advantage. This is a complex area of policy covering industrial relations *and* economic policy in which small, open economies such as Australia are attempting to maintain competitiveness in global markets while sustaining strong employment growth in the process of deindustrialisation. However, employers need to be bound to a social contract around *decent work* which the International Labour Organisation has expounded as a defining concept for its agenda. Labour law can be more assertive in protecting workers and requiring employers to meet basic obligations without significantly compromising business competitiveness. Clearly the international union movement and bodies such as the International Labour Organisation have important roles in the strengthening of organised labour and enforcement of labour standards in both emerging and post-industrial economies.

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